

§19907. Calculation of the Refundable Credit; Proof of Credit; Affidavit

A. Domestic admitted insurers who have paid retaliatory tax based on premiums written in the preceding year shall provide evidence of the retaliatory taxes paid to other states along with Form 836. Evidence may consist of tax returns, invoices, copies of checks, or other documents that support the payment of the retaliatory taxes. Form 836 will be due by April 15th of each year.

B. Within 60 days after receiving all applications of the retaliatory credits, the LDI shall issue a refund for the retaliatory amounts paid by the domestic insurer. The maximum amount of refundable credits shall not exceed nine million dollars per fiscal year for the total of all domestic insurers claiming credits. If the total amount of refundable credits claimed by all eligible domestic insurers exceeds nine million dollars, the refunds shall be made on a pro rata basis to the eligible domestic insurers based upon the proportion of the total amount paid by each domestic insurer for the preceding year.

C. An affidavit must be included with Form 836 certifying the commissioner that the domestic insurer will use the retaliatory credit refund monies exclusively for Louisiana-specific purposes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:836, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 50:1501 (October 2024).

§19909. Request for Refundable Tax Credit; Dispute Resolution

A. Domestic insurers seeking a refundable tax credit shall submit a request to the LDI pursuant to R.S.22:836 on Form 836 which shall be designed by the commissioner. The request shall be submitted no later than April 15th of each year. The commissioner may disapprove a tax credit either in whole or in part if the required supporting documents are missing.

B. If the commissioner disapproves in whole or in part, a refundable tax credit filed by a domestic insurer, he shall give written notice to the domestic insurer, stating grounds for disapproval. The notice shall be sent to the address shown on the records of the LDI. The insurer shall have 30 days to dispute the disapproval of the commissioner or supply the missing documentation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:836, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 50:1502 (October 2024).

§19911. Effective Date; Implementation

A. This regulation shall take effect on January 1, 2024. The initial applications for the refundable retaliatory tax credits must be filed by April 15, 2025. This regulation

sunsets December 31, 2029. The last applications for the refundable tax credits must be filed by April 15, 2030, for the year of 2029.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:836, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 50:1502 (October 2024).

Chapter 201. Regulation Number 132—Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund

§20101. Definitions

A. For the purposes of Regulation 125, the following terms are defined as follows:

Commissioner—the Commissioner of Insurance of the state of Louisiana.

Department—the Department of Insurance of the state of Louisiana.

Fund—the self-insurance fund established pursuant to R.S. 12:1851 et seq. to provide property insurance for churches and nonprofit religious organizations and shall be known as the Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund.

Insolvency—the condition existing when the fund's liabilities are greater than the fund's assets as determined in accordance with generally accepted accounting principles as delineated in the fund's financial statement audited by an independent certified public accountant and calculated before a member's distribution is payable or before a dividend is declared.

Members Distribution Payable/Surplus—assets of the fund in excess of loss reserves, actual and contingent liabilities and loss development reserves in all fund years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 12:1851 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:74 (January 2025).

§20103. Excess Insurance or Reinsurance

A. The fund shall maintain excess insurance or reinsurance in the amount approved by the commissioner, based on an actuarially sound catastrophe model that limits the fund's exposure on any one loss occurrence to 20 percent of its members distribution payable/surplus or an amount authorized by the commissioner.

1. The fund shall submit a feasibility study prepared by a qualified actuary which analyzes the impact the specific retention on the fund.

2. No fund shall secure a retention which in the commissioner's opinion is not actuarially sound.

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3. The commissioner shall deny the use of a retention if he finds that the higher retention will have a significant adverse effect on the financial condition of the fund.

B. The excess insurance or reinsurance coverage shall provide for one or more reinstatements.

C. All excess insurance or reinsurance agreements shall be approved by the department prior to execution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 12:1851 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:74 (January 2025).

§20105. Financial and Actuarial Reports

A. At inception and thereafter, the fund shall either:

1. Provide evidence satisfactory to the commissioner that it possesses surplus in excess of \$3,000,000, or

2. Submit a current audited financial statement, audited by an independent certified public accountant, of at least two members showing, at the inception of the fund, a combined net worth of a minimum of \$1,000,000, current financial statements of all other members, a combined ratio of current assets to current liabilities of more than one to one, a combined working capital of an amount establishing financial strength and liquidity of the members to pay normal compensation claims promptly, and showing evidence of the financial ability of the group to meet its obligations. An audited or a financial statement properly certified by an officer, owner, or partner for all members joining the fund after the inception date shall be submitted to the commissioner until such time as an audited financial statement is available for the fund as a whole. Thereafter, the filing of member financial statements with the department is no longer required. In no event shall the cumulative net worth or ratio of the current assets to current liabilities of all members be less than that required in this Subsection.

B. An annual financial statement audited by an independent certified public accountant shall be due annually within six months of the close of the fiscal year of the fund, unless an extension is granted by the commissioner.

C. Actuarial reviews shall be made by a qualified actuary. Actuarial reports shall be due and filed at the same time as the fund's annual financial statement, except as otherwise provided by the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 12:1851 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:74 (January 2025).

§20107. Insolvencies

A. Pursuant to R.S. 12:1862(D)(1), the fund is subject to delinquency proceedings that shall be governed by the applicable provisions of R.S. 22:731, et seq., pertaining to administrative supervisions, or the applicable provisions of R.S. 22:2001, et seq., pertaining to receivership, that are not inconsistent with the provisions of R.S. 12:1851, et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 12:1851 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:75 (January 2025).

§20109. Cease and Desist Orders and Other Penalties

A.1 After notice and opportunity for a hearing, the commissioner may issue an order requiring a person or group to cease and desist from engaging in an act or practice found to be not in compliance with R.S. 12:1851, et seq. or with any rule promulgated by the department pursuant to the Administrative Procedure Act or order or directive issued by the department. Any cease and desist order issued under this Section may include a prohibition against the fund writing any new or renewal business.

2. After notice and opportunity for a hearing, the commissioner may suspend or revoke the certificate of authority of the fund found to be not in compliance with R.S. 12:1851, et seq. or with any rule promulgated by the department pursuant to the Administrative Procedure Act or order or directive issued by the department.

B. Upon the determination that the fund failed to comply with any provision of R.S. 12:1851 et seq., any rule or regulation promulgated by the department, or orders or directives issued by the commissioner, the department may levy a fine of up to \$2,000 for each violation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 12:1851 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:75 (January 2025).