



LOUISIANA DEPARTMENT OF INSURANCE

TIMOTHY J. TEMPLE
COMMISSIONER

December 2, 2024

The Honorable Cameron Henry
President, Louisiana State Senate
P.O. Box 94183
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
apa.senatepresident@legis.la.gov

The Honorable Phillip R. DeVillier
Speaker, Louisiana House of Representatives
P.O. Box 94062
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
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The Honorable Kirk Talbot
Chairman of the Senate Insurance Committee
P.O. Box 94183
Baton Rouge, LA 70804

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The Honorable Michael “Gabe” Firment
Chairman of the House Insurance Committee
P.O. Box 94062
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
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RE: Summary Report – Regulation 132 - Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund

Dear President Henry, Speaker DeVillier, Senator Talbot, and Representative Firment:

The Louisiana Department of Insurance (LDI) hereby submits the following summary report required by [La. R.S. 49:966\(D\)\(1\)\(b\)](#), and announces its intention to finalize Regulation 132, which was published as a Notice of Intent in the October 2024 edition of the *Louisiana Register*.

Interested persons were provided an opportunity to submit comments to the LDI on the proposed regulation. The LDI did not receive any written or oral comments by the expiration of the comment period.

Subject to legislative oversight, the LDI intends to submit Regulation 132 to the Office of the State Register for final publication in the January 2025 edition of the Louisiana Register. A copy of the summary report will be placed on the LDI’s website in accordance with [La. R.S. 49:966\(D\)\(1\)\(c\)](#).

Enclosure: Notice of Intent for Regulation 132 — Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR The proposed rule changes will have no impact on state or local governmental revenues.

LOCAL GOVERNMENTAL UNITS (Summary)

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rule changes will benefit persons and entities seeking to identify which handbooks or guidelines are currently being incorporated by reference that serve as professional guidance for entities under the purview of LDI. These handbooks and guidelines will be available for public viewing in hardcopy form at the offices of the LDI and Office of State Register and online at the NAIC website.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule changes will have no impact upon competition and employment in the state.

Chris Cerniauskas
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Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 132—Louisiana Churches and Nonprofit
Religious Organizations Self-Insured Fund
(LAC 37:XIII.Chapter 201)

The Department of Insurance, pursuant to the authority of the Louisiana Insurance Code, R.S. 22:1 et seq., and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., hereby gives notice of its intent to promulgate Regulation 132—Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund.

The Department of Insurance is promulgating Regulation 132 to comply with Act No. 259 of the 2023 Regulation Session of the Louisiana Legislature that enacted R.S. 22:472.1 through 472.20 authorizing the creation of the Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund and giving the Department of Insurance authority over such fund. Act 259 directed the Louisiana State Law Institute to redesignate R.S. 22:472.1 through 472.20 as R.S. 12:1851 through 1870.

Title 37

INSURANCE

Part XIII. Regulations

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:

§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.

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:

§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:

§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:

§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:

Family Impact Statement

1. Describe the Effect of the Proposed Regulation on the Stability of the Family. The proposed regulation should have no measurable impact upon the stability of the family.

2. Describe the Effect of the Proposed Regulation on the Authority and Rights of Parents Regarding the Education and Supervision of their Children. The proposed regulation should have no impact upon the rights and authority of children regarding the education and supervision of their children.

3. Describe the Effect of the Proposed Regulation on the Functioning of the Family. The proposed regulation

should have no direct impact upon the functioning of the family.

4. Describe the Effect of the Proposed Regulation on Family Earnings and Budget. The proposed regulation should have no direct impact upon family earnings and budget.

5. Describe the Effect of the Proposed Regulation on the Behavior and Personal Responsibility of Children. The proposed regulation should have no impact upon the behavior and personal responsibility of children.

6. Describe the Effect of the Proposed Regulation on the Ability of the Family or a Local Government to Perform the Function as Contained in the Rule. The proposed regulation should have no impact upon the ability of the family or a local governmental unit to perform the function as contained in the rule.

Poverty Impact Statement

1. Describe the Effect on Household Income, Assets, and Financial Security. The proposed regulation should have no effect on household income assets and financial security.

2. Describe the Effect on Early Childhood Development and Preschool through Postsecondary Education Development. The proposed regulation should have no effect on early childhood development and preschool through postsecondary education development.

3. Describe the Effect on Employment and Workforce Development. The proposed regulation should have no effect on employment and workforce development.

4. Describe the Effect on Taxes and Tax Credits. The proposed regulation should have no effect on taxes and tax credits.

5. Describe the Effect on Child and Dependent Care, Housing, Health Care, Nutrition, Transportation and Utilities Assistance. The proposed regulation should have no effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.

Small Business Analysis

The impact of the proposed regulation on small businesses as defined in the Regulatory Flexibility Act has been considered. It is estimated that the proposed action is not expected to have a significant adverse impact on small businesses. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed regulation that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed regulation on small businesses.

1. Identification and Estimate of the Number of the Small Businesses Subject to the Proposed Rule. The proposed regulation should have no measurable impact upon small businesses.

2. The Projected Reporting, Record Keeping, and Other Administrative Costs Required for Compliance with the Proposed Rule, Including the Type of Professional Skills Necessary for Preparation of the Report or Record. The proposed regulation should have no measurable impact upon small businesses.

3. A Statement of the Probable Effect on Impacted Small Businesses. The proposed regulation should have no measurable impact upon small businesses.

4. Describe any Less Intrusive or Less Costly Alternative Methods of Achieving the Purpose of the Proposed Rule. The proposed regulation should have no measurable impact on small businesses; therefore, will have no less intrusive or less cost alternative methods.

Provider Impact Statement

1. Describe the Effect on the Staffing Level Requirements or Qualifications Required to Provide the Same Level of Service. The proposed regulation will have no effect.

2. The Total Direct and Indirect Effect on the Cost to the Provider to Provide the Same Level of Service. The proposed regulation will have no effect.

3. The Overall Effect on the Ability of the Provider to Provide the Same Level of Service. The proposed regulation will have no effect.

Public Comments

Interested persons who wish to make comments may do so by writing to Jennifer Land, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, by faxing comments to (225) 342-1632, or electronically at regulations@ldi.la.gov. Comments will be accepted through the close of business, 4:30 p.m., November 10, 2024.

Timothy J. Temple
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 132—Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund

I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENT UNITS (Summary)

The proposed rule is not anticipated to result in implementation costs or savings to the state or local governmental units. The proposed rule is being promulgated to implement Regulation 132 to comply with Act 259 of the 2023 Regular Session of the Legislature. This authorizes the creation of the Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund.

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)

The proposed rule will have no effect on revenue collections of state or local governmental units.

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NONGOVERNMENTAL GROUPS (Summary)

The proposed rule will provide the guidelines for the creation of the Louisiana Churches and Nonprofit Religious Organizations Self-Insurance Funds. The creation of these self-insurance funds is for the purpose of providing property insurance for local churches and religious buildings in Louisiana.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule does not affect competition and employment in the state.

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NOTICE OF INTENT

Department of Public Safety and Corrections Office of Motor Vehicles

Public Tag Agents
(LAC 55:III.1643)

In compliance with Act 357 of the 2023 legislative session, the Office of Motor Vehicles proposed to adopt Section 1643 of Part III, Chapter 16 (Public Tag Agents), Title 55 (Public Safety) of the Louisiana Administrative Code. Specifically, this Rule proposes to adopt a fine schedule for violations of R.S. 47:532.1 and R.S. 47:532.2, any rule or regulation adopted pursuant to R.S. 47:532.1 and R.S. 47:532.2, or of any violation of a contract between the Office of Motor Vehicles and the public license tag agent. The Office of Motor Vehicles intends for this Rule to be effect January 29, 2025.

Title 55

PUBLIC SAFETY

Part III. Motor Vehicles

Chapter 16 Public tag Agents

§1643. Administrative Penalty Assessment

A. In the event a public tag agent is found to be in violation of R.S. 32:707.2, R.S. 47:531.1 et seq., applicable administrative rules, contract terms or department policy, the Office of Motor Vehicles may impose sanctions. The sanctions shall include, but are not limited to, administrative fines; warnings; suspension or revocation of the public tag agent's license; removal of the public tag agent or its employee's departmental connectivity or restriction of security access. In determining the appropriate sanction, the Office of Motor Vehicles will consider the severity of the violation or violations, as well as previous violations of the public tag agent whether sanctions were imposed for the previous violations.

B. The following fine schedule shall be used to assess fines to persons, firms, or employees who violate the law, rules or departmental policies governing public tag agents. Penalties will be imposed to persons, firms or employees based on the classification of the offense. Other administrative penalties may also be imposed.