



LOUISIANA DEPARTMENT OF INSURANCE

TIMOTHY J. TEMPLE

COMMISSIONER

November 7, 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
apa.housespeaker@legis.la.gov

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

ELECTRONIC TRANSMISSION
apa.s-ins@legis.la.gov

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

ELECTRONIC TRANSMISSION
apa.h-ins@legis.la.gov

RE: Summary Report - Notice of Intent to Amend Regulation 128 – Louisiana
Agriculture Transportation Group Self-Insurance 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 proceed to finalize Regulation 128, which was published as a Notice of Intent in the September 2024 edition of the *Louisiana Register*.

Interested persons were provided an opportunity to submit comments to the LDI on the proposed rule. 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 the proposed amendment to Regulation 128 to the Office of the State Register for final publication in the December 2024 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\(D\)\(1\)\(c\)](#).

Enclosures: Notice of Intent to Amend Regulation 128 – Louisiana Agriculture
Transportation Group Self-Insurance Fund

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 amended 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 amended regulation should have no measurable impact upon small businesses.

3. A Statement of the Probable Effect on Impacted Small Businesses. The proposed amended 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 amended 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 amended 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 amended regulation will have no effect.

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

Public Comments

Interested persons who wish to make comments may do so by writing to Evelyn Danielle Linkford, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, by faxing comments to (225) 342-7821, or electronically at regulations@ldi.la.gov. Comments will be accepted through the close of business, 4:30 p.m., October 10, 2024.

Timothy J. Temple
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 90—Payment of Pharmacy and Pharmacist Claims

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

The proposed rule change is not anticipated to result in implementation costs or savings to the state or local governmental units. The proposed rule change is being

implemented to add regulatory language to incorporate and clarify audit and claim review requirements and to require the filing of policies and procedures to bring Pharmacy Benefit Management processes into compliance.

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

The proposed rule change will have no impact 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 change will benefit directly affected persons by providing clarity for the audit and claim review requirements and require the filing of policy and procedures to bring Pharmacy Benefit Management processes into compliance.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

Chris Cerniauskas
Chief of Staff
2409#043

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 128—Louisiana Agriculture Transportation
Group Self-Insurance Fund
(LAC 37:XIII.19303, 19305, 19309)

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 amend Regulation 128.

The purpose of the amendment to Regulation 128 is to require that certain financial documents be submitted and to provide the name change of the fund due to legislative changes from Act No. 191 of the 2023 Regular Legislative Session related to audited financial statements.

Title 37

INSURANCE

Part XIII. Regulations

Chapter 193. Regulation Number 128—Louisiana Agriculture Transportation Group Self- Insurance Fund

§19303. Excess Insurance and Reinsurance

A. ...

B. The maximum retention allowed for the fund's specific excess policy shall be approved by the department.

B.1. - C. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 3.4351.3.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 49.1411 (August 2023), amended LR 50:

§19305. Financial and Actuarial Reports

A. - B. ...

C. In lieu of an audited financial statement, the department may require that the fund submit necessary financial documents in a form and manner approved by the

department to verify the combined net worth of those members or principals.

D. Actual 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. 3.4351.3.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 49.1411 (August 2023), amended LR:

§19309. Cease and Desist Orders and Other Penalties

A.1. - A.2. ...

B. Upon the determination that the fund failed to comply with any provision of R.S. 3.4351 et seq., any rule or regulation promulgated by the department, or orders or directed 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. 3.4351.3.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 49.1411 (August 2023), amended LR 50:

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.

5. 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.

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

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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

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Timothy J. Temple
Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Regulation 128—Louisiana Agriculture
Transportation Group Self-Insurance Fund**

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

The proposed rule change is not anticipated to result in implementation costs or savings to the state or local governmental units. The proposed rule is being amended to require certain financial documents to be submitted and to provide the name change of the Louisiana Agriculture Transportation Group Self-Insurance Fund. These changes are in accordance with Act 191 of the 2023 Regular Legislative Session related to audited financial statements.

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

The proposed rule change will have no impact on state or local governmental revenues.

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

The proposed rule change will not have an impact on costs or economic benefits to directly affected persons, small businesses, or non-governmental groups. The proposed regulation change is to keep in accordance with the passage of Act 191 of the 2023 Regular Legislative Session.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)**

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

Chris Cerniauskas
Chief of Staff
2409#025

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Insurance
Office of the Commissioner**

**Regulation 131—Plan for Nonrenewal or Cancellation of
Homeowners Policies in Effect and Renewed for
More Than Three Years
(LAC 37:XIII.Chapter 202)**

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 131—Plan for Nonrenewal or Cancellation of Homeowners Policies in Effect and Renewed for More Than Three Years.

The Department of Insurance is promulgating Regulation 131 to implement the provisions of Act 2024, No. 9 of the Regular Session of the Louisiana Legislature, which allows an insurer to notify the commissioner of its plan to nonrenew or cancel up to five percent of its insureds' homeowners policies in a calendar year that have been in effect for at least three years on or before August 1, 2024, for any reason and to request the commissioner's approval of a plan to

nonrenew or cancel more than five percent of its insureds' homeowners policies in a calendar year that have been in effect for three years or more on or before August 1, 2024.

**Title 37
INSURANCE**

Part XIII. Regulations

**Chapter 202. Regulation Number 131—Plan for
Nonrenewal or Cancellation of
Homeowners Policies in Effect and
Renewed for More Than Three Years**

§20201. Authority

A. Regulation 131 is issued pursuant to the authority vested in the commissioner pursuant to the provisions of Act 2024, No. 9 of the Regular Session of the Louisiana Legislature and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. R.S. 22:11, and 22:1265(F).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, R.S. 22:11, 22:1265, Act 2024, No. 9 of the Regular Session of the Louisiana Legislature, 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:

§20203. Purpose

A. The purpose of Regulation 131 is to implement the provisions of Act 2024, No. 9 of the Regular Session of the Louisiana Legislature, which allows an insurer to notify the commissioner of its plan to nonrenew or cancel up to five percent of its insureds' homeowners policies in a calendar year that have been in effect for at least three years on or before August 1, 2024, for any reason and to request the commissioner's approval of a plan to nonrenew or cancel more than five percent of its insureds' homeowners policies in a calendar year that have been in effect for three years or more on or before August 1, 2024.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, R.S. 22:11, 22:1265, Act 2024, No. 9 of the Regular Session of the Louisiana Legislature, 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:

§20205. Scope and Applicability

A. Regulation 131 requires insurers providing property, casualty, or liability insurance to submit a plan for nonrenewal or cancellation of certain homeowners' policies pursuant to R.S. 22:1265(L) to the Louisiana Department of Insurance.

B. Regulation 131 only applies to insurers seeking to comply with the provisions of R.S. 22:1265(L).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, R.S. 22:11, 22:1265, Act 2024, No. 9 of the Regular Session of the Louisiana Legislature, 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:

§20207. Definitions

A. As used in Regulation 131, these terms shall have the following meaning ascribed herein unless the context clearly indicates otherwise.

Commissioner—the Louisiana Commissioner of Insurance.

Department—the Louisiana Department of Insurance.

Homeowners Insurance—a policy of insurance on a