

**NOTICE OF INTENT**

**Department of Insurance  
Office of the Commissioner**

Regulation 126—Louisiana Fortify Homes Program  
(LAC 37:XIII.Chapter 182)

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 126 to provide clarification with respect to the administration of the Louisiana Fortify Homes Program (LFHP) in accordance with Act No. 554 of the 2022 Regular Session.

**Title 37  
INSURANCE  
Part XIII. Regulations**

**Chapter 182. Regulation Number 126—Louisiana Fortify Homes Program**

**§18201. Purpose**

A. . . . .

B. The purpose of the amendment to Regulation 126 is to provide additional clarification with respect to the administration of the LFHP in accordance with Act No. 554 of the 2022 Regular Session.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:698 (April 2023), amended LR.

**§18202. Definitions**

A.1. – A.4. . . . .

A.5. *Louisiana Citizens* (when capitalized)—the Louisiana Citizens Property Insurance Corporation and includes the residual market insurance programs known as the “Coastal Plan” and the “FAIR Plan.”

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:698 (April 2023), amended LR.

**§18203. Contractor Eligibility Requirements and Conflicts of Interest**

A. Contractor Eligibility Requirements. To be eligible to work as a Louisiana Fortify Homes Program contractor (LFHP-approved contractor), the contractor must meet all of the following program requirements:

A.1. – A.9. . . . .

A.10. agree to follow the LFHP procedures and rules established by the Commissioner of Insurance.

B.1. – B.3. . . . .

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:698 (April 2023), amended LR.

**§18204. Evaluator Eligibility Requirements and Conflicts of Interest**

A. Evaluator Eligibility Requirements. To be eligible to work on the LFHP, an evaluator must meet all of the following program requirements:

1. submit and maintain a copy of all current program certificates with the LFHP;

A.2. – B.4. . . . .

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:698 (April 2023), amended LR.

**§18205. Louisiana Fortify Homes Program Grants**

A. Grant Eligibility. To be eligible for a LFHP grant, an applicant must meet the following requirements.

1. The home must be a residence with a homestead exemption that is not a condominium or mobile home.

A.2. – B.3. . . . .

B.4. The homeowner must access the LFHP online application portal and obtain bids from three LFHP-approved contractors of their choice to improve the home to meet the IBHS fortified roof standard. If an LFHP-approved contractor is not available in the area where the home is located, the minimum number of bids required for the application will be reduced to reflect the number of contractors that are available in the area. A list of eligible contractors can be found at [www.lldi.la.gov/fortifyhomes](http://www.lldi.la.gov/fortifyhomes). The LFHP may remove a contractor from the list of eligible contractors at any time upon a finding that the contractor failed to meet any of the program requirements listed in §18203 of this Regulation.

C. . . . .

D. Maximum Grant Award. The amount of a grant award shall equal the total cost to retrofit to the IBHS fortified roof standard not to exceed \$10,000. The Commissioner of Insurance may periodically update the amount of the grant award.

E. – F.6. . . . .

G. The Commissioner of Insurance may establish additional procedures as necessary to allocate grant funds to Louisiana Citizens policyholders.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:698 (April 2023), amended LR.

**§18207. Effective Date**

A. Regulation 126, as amended, shall be effective upon final publication in the Louisiana Register.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11 and R.S. 22:1483.1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR.

**Family Impact Statement**

1. Describe the Effect of the Proposed Regulation on the Stability of the Family. The proposed amended 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 amended regulation should have no impact upon the rights and authority of parents regarding the education and supervision of their children.

3. Describe the Effect of the Proposed Regulation on the Functioning of the Family. The proposed amended 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 amended 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 amended 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 amended 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 amended 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 amended 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 amended regulation should have no effect on employment and workforce development.

4. Describe the Effect on Taxes and Tax Credits. The proposed amended 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 amended 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 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, there is no less intrusive or less costly alternative method of achieving the purpose of the proposed regulation.

#### **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 Philip Dominique, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, or by faxing comments to (225) 342-1632, or electronically at [regulations@ldi.la.gov](mailto:regulations@ldi.la.gov). Comments will be accepted through the close of business, 4:30 p.m., November 10, 2023.

James J. Donelon  
Commissioner

### **FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES**

#### **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 amended to provide clarification to the administration of the Louisiana Fortified Home Program by updating website addresses containing program information and procedures as well as defining LA Citizens Property Insurance Corporation. Also, the proposed rule states the maximum award is equal to the lesser of the retrofit cost or \$10,000.

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

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

#### **III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS (SUMMARY)**

The proposed amended rule will provide clarification to the administration of the Louisiana Fortified Home Program to homeowners, contractors, and evaluators that participate in the program.

#### **IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (SUMMARY)**

The proposed rule outlines contractor eligibility requirements, evaluator eligibility requirements and outlines conflicts of interest. It is unknown whether these changes will impact contractor or evaluator participation in the Louisiana Fortified Home Program.

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriated legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of the current and proposed rules with amended portions indicated).

The proposed rule is being amended to provide clarification to the administration of the Louisiana Fortified Home Program.

Amendments include

- the definition of Louisiana Citizens Property Insurance Corporation;
- clarification on homestead exemption;
- clarifies the homeowner must access the application portal;

- clarification in the maximum grant award;
- the Commissioner may establish additional procedures as necessary to allocate grant funds to Louisiana Citizens policyholders; and
- Effective date shall be upon final publication.

B. Summarize the circumstances which require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.

The Louisiana Department of Insurance (LDI) is tasked with administering the Insurance Code, which regulates the business of insurance in all of its phases. The proposed rule is being amended to provide clarification to the administration of the Louisiana Fortified Home Program.

C. Compliance with Act 11 of the 1986 First Extraordinary Session:

(1) Will the proposed rule change result in any increase in expenditure of funds? If so, specify the amount and source of funding.

No increase in expenditure of funds is anticipated as a result of the proposed rule.

(2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

\_\_\_\_\_ Yes. If yes, provide documentation.

\_\_\_\_\_ No. If no, provide justification as to why this rule change should be published at this time.