



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

July 10, 2023

The Honorable Patrick Page Cortez
President, Louisiana State Senate
P.O. Box 94183
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
apa.senatepresident@legis.la.gov

The Honorable Clay Schexnayder
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
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The Honorable Mike Huval
Chairman of the House Insurance Committee
P.O. Box 94062
Baton Rouge, LA 70804

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RE: Summary Report – Regulation 112 — Adoption of NAIC
Handbooks, Guidelines, Forms, and Instructions

Dear President Cortez, Speaker Schexnayder, Senator Talbot, and Representative Huval:

The Louisiana Department of Insurance (LDI) hereby submits the following summary report required by La. R.S. 49:968(D)(1)(b), and announces its intention to finalize the amendment to Regulation 112, which was published as a Notice of Intent in the May 2023 edition of the *Louisiana Register*.

Interested persons were provided an opportunity to submit comments to the LDI on the proposed regulation. The LDI received one comment in response to the Notice of Intent and the LDI responded accordingly. This comment and the LDI's response are summarized below and enclosed for your review.

Comment: Joann Zummo requested to be subscribed to the LDI Industry Portal Notification System.

LDI Response to Comment: The request is not relevant to Regulation 112. However, the request to be subscribed was routed to the proper division within the LDI to be processed accordingly.

Subject to legislative oversight, the LDI intends to submit Regulation 112 to the Office of the State Register for final publication in the August 2023 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. 49:968(D)(1)(c).

Enclosures: Notice of Intent – Regulation 112;
Public comment received

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 112—Adoption of NAIC Handbooks, Guidelines, Forms, and Instructions (LAC 37:XIII.16101)

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 112.

The purpose of the amendment to Regulation 112 is to identify and to incorporate by reference the current edition of handbooks, guidelines, forms, and instructions adopted by the National Association of Insurance Commissioners (NAIC) and referenced in the Louisiana Insurance Code.

Title 37

INSURANCE

Part XIII. Regulations

Chapter 161. Regulation Number 112—Adoption of NAIC Handbooks, Guidelines, Forms and Instructions

§16101. NAIC Handbooks, Guidelines, Forms and Instructions Incorporated by Reference

A. ...

B. The following NAIC handbooks, guidelines, forms, and instructions are hereby adopted and incorporated by reference:

1. The Financial Condition Examiner's Handbook, 2022 edition;
2. The Annual and Quarterly Statement Instructions, Property and Casualty, 2022 edition;
3. The Annual and Quarterly Statement Instructions, Life, Accident, and Health, 2022 edition;
4. The Annual and Quarterly Statement Instructions, Health, 2022 edition;
5. The Annual and Quarterly Statement Instructions, Title, 2022 edition;
6. The Annual and Quarterly Statement Instructions, Fraternal, 2022 edition;
7. The Annual and Quarterly Statement Blanks, Property and Casualty, 2022 edition;
8. The Annual and Quarterly Statement Blanks, Life, Accident, and Health, 2022 edition;
9. The Annual and Quarterly Statement Blanks, Health, 2022 edition;
10. The Annual and Quarterly Statement Blanks, Title, 2022 edition;
11. The Annual and Quarterly Statement Blanks, Fraternal, 2022 edition;
12. The Accounting Practices and Procedures Manual, 2022 edition;
13. The Financial Analysis Handbook, 2022 edition;
14. The Own Risk and Solvency Assessment Guidance Manual, 2022 edition;
15. The Purposes and Procedures Manual of the NAIC Investment Analysis Office, 2022 edition;
16. The Risk-Based Capital Forecasting and Instructions, 2022 edition;
17. The Market Regulation Handbook, 2022 edition.

C. - D.3. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 258, 619(B), 640(B), 675, 661(A), 691.11, 691.54, and 1804.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 45:1208 (September 2019), amended LR 46:993 (July 2020), amended LR 47:1328 (September 2021), LR 48:2299 (September 2022), amended LR 49:

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.

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., June 12, 2023.

James J. Donelon
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 112—Adoption of NAIC Handbooks, Guidelines, Forms, and Instructions

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

The proposed rule changes will not result in additional costs or savings for state or local governmental units. The proposed rule changes incorporate and reference the current editions of handbooks, guidelines, forms, and instructions adopted by the National Association of Insurance Commissioners (NAIC) and referenced in the Louisiana Insurance Code. The current editions of these publications serve as the most current professional guidance for entities regulated by the LA Dept. of Insurance (LDI).

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

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

III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS 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.

Denise Gardner
Chief of Staff
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Evan Brasseaux
Interim Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Natural Resources Office of Mineral Resources

Leasing State Lands and Water Bottoms for the Exploration,
Development and Production of Wind Energy
(LAC 43:V.Chapter 7)

The Department of Natural Resources, Office of Mineral Resources proposes to amend LAC 43:V. Chapter 7, in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana.

The proposed Rule changes include changes to LAC 43:V.Chapter 7 required to conform to Act 443 of 2022 and to implement the charge therein that the secretary of the Department of Natural Resources promulgate rules and regulations that include all provisions necessary to accomplish the intent of the legislature. The aforesaid Act had as its stated purpose to establish a maximum acreage for wind leases; to provide for operating agreements relative to the production of wind energy; to provide for the powers and duties of the secretary of the Department of Natural Resources; to provide for rules and regulations; and to provide for related matters.

Title 43

NATURAL RESOURCES

Part V. Office of Mineral Resources

Chapter 7. Leasing State Lands and Water Bottoms for the Exploration, Development and Production of Wind Energy

Editor's Note: Pursuant to Act 196 of the 2009 Regular Session, the name of the State Mineral Board has been changed to State Mineral and Energy Board.

§707. Registration

[Formerly LAC 43:I.1007]

A. Applicant Registration. Any party who wants to apply for a state wind lease shall register certain information with the Office of Mineral Resources on a one-time basis prior to submitting an application. Registration consists of