



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

August 20, 2021

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
apa.housespeaker@legis.la.gov

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

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

The Honorable Edmond Jordan
Acting Chairman, House Insurance Committee
P.O. Box 94062
Baton Rouge, LA 70804

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

RE: Summary Report – Regulation 87—Louisiana Citizens Property Insurance Corporation Producer Binding Requirements

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

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 proceed to finalize the amendment of Regulation 87 which was published as a Notice of Intent in the July, 2021 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 would like to finalize the amendment of Regulation 87 and submit the regulation to the Office of the State Register for publication in the October, 2021 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).

If you have any questions or need any additional information, please contact me at (225) 219-7851, or electronically at Lisa.Henson@ldi.la.gov.

Sincerely,



Lisa L. Henson
Staff Attorney
Louisiana Department of Insurance

Enclosure: Notice of Intent to Amend Regulation 87—Louisiana Citizens Property Insurance Corporation Producer Binding Requirements

flexibility analysis/small business analysis on the rule proposed for adoption, amendment or repeal.

The impact of the proposed rule on small businesses as defined in the Small Business Protection Act has been considered. The Office of Public Health's Bureau of Emergency Medical Services and the Louisiana Emergency Medical Services Certification Commission do not expect that adoption of the proposed amendments will have an adverse economic impact on small businesses.

Provider Impact Statement

The proposed Rule should not have any known or foreseeable impact on providers as defined by HCR 170 of the 2014 Regular Legislative Session. In particular, there should be no known or foreseeable effect on:

1. the effect on the staffing level requirements or qualifications required to provide the same level of service;
2. the total direct and indirect effect on the cost to the providers to provide the same level of service; or
3. the overall effect on the ability of the provider to provide the same level of service.

Public Comments

Interested persons may submit written comments on the proposed Rule. Such comments must be received no later than Tuesday, August 10, 2021 at COB, 4:30 pm, and should be addressed to Allen Enger, LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629.

Public Hearing

Interested persons may submit a written request to conduct a public hearing either by U.S. mail to the Office of the Secretary ATTN: LDH Rulemaking Coordinator, Post Office Box 629, Baton Rouge, LA 70821-0629; however, such request must be received no later than 4:30 p.m. on Tuesday, August 10, 2021. If the criteria set forth in R.S. 49:953(A)(2)(a) are satisfied, LDH will conduct a public hearing at 2:00 pm on August 30, 2021 in Room 118 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge, LA. To confirm whether or not a public hearing will be held, interested persons should first call Allen Enger at (225) 342-1342 after Tuesday, August 10, 2021. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing. In the event of a hearing, parking is available to the public in the Galvez Parking Garage which is located between North Sixth and North Fifth/North and Main Streets (cater-corner from the Bienville Building). Validated parking for the Galvez Garage may be available to public hearing attendees when the parking ticket is presented to the Bienville Building's front security desk.

Dr. Courtney N. Phillips
Secretary

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Emergency Medical Services Professionals

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

As a result of the rule change, the Office of Public Health (OPH) anticipates spending \$5,000 to make programming changes to its computer systems. Additionally, OPH will incur \$3,515 in expenses associated with the publication of this

proposed rule change. The expenses will be paid with General Fund (53 percent), Fees and Self-Generated Revenue (28 percent) and Federal (19 percent).

The proposed rule adds general definitions and duties of EMS practitioners. The rule provides that individuals submit to a background check when seeking an initial EMS license and that public safety telecommunicators must complete a required training course every two years. The rule also codifies current policy related to civil immunity for EMS workers. Finally, the rule clarifies language related to licensure requirements and disciplinary proceedings of EMS workers and students.

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

The proposed rule will also increase revenue in the statutorily dedicated Criminal Identification and Information Fund by \$26 per person that applies for a background check. The Office of State Police administers background checks at a charge of \$39.25 each, of which \$26 will be deposited into the Criminal Identification and Information Fund and \$13.25 will be remitted to the federal government.

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

When applying for an initial Emergency Medical Services (EMS) license, EMS workers will incur a fee of \$39.25 associated with the cost of the background check. There may also be a cost to public safety telecommunicators and/or their employers associated with taking a required training course every two years.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

Implementing this rule may reduce the number of available EMS workers, given that individuals who do not pass the background check will likely be unemployable as an EMS worker.

Kimberly Hood, JD, MPH
Assistant Secretary
2107#044

Alan M. Boxberger
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 87—Louisiana Citizens Property Insurance Corporation—Producer Binding Requirements (LAC 37:XIII.Chapter 121)

In accordance with R.S. 49:950 et seq., the Administrative Procedure Act, and through the authority granted under R.S. 22:1 et seq., and specifically R.S. 22:11, the Department of Insurance hereby gives notice of its intent to amend Regulation 87—Louisiana Citizens Property Insurance Corporation Producer Binding Requirements. The Department of Insurance is amending Regulation 87 to conform with changes to the plan of operations of Louisiana Citizens Property Insurance Corporation.

Title 37 INSURANCE

Part XIII. Regulations

Chapter 121. Regulation Number 87—Louisiana Citizens Property Insurance Corporation Producer Binding Requirements

§12103. Authority

A. Regulation 87 is promulgated by the Board of Directors of the Louisiana Citizens Property Insurance

Corporation, pursuant to the authority granted under the Louisiana Insurance Code, Title 22, R.S. 22:2313.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1872 (September 2007), amended LR 47:

§12105. Applicability and Scope

A. Regulation 87 applies to all insurance producers who are eligible to sell insurance policies issued by Louisiana Citizens Property Insurance Corporation pursuant to R.S. 22:2313(A), and that have applied to the Louisiana Citizens Property Insurance Corporation and have met the qualifications for binding authority.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1872 (September 2007), amended LR 47:

§12107. Definitions

A. For the purposes of Regulation 87, the following terms shall have the meaning or definition as indicated herein.

* * *

E.P.I.C.—the Citizens policy management and claim computer system or its successor.

* * *

Louisiana Policy Management System (LPMS)—
Repealed.

* * *

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1873 (September 2007), amended LR 47:

§12109. Licensing

A. Pursuant to R.S. 22:12, no person shall be authorized to transact or shall transact the business of insurance in the state of Louisiana without complying with the provisions of the Louisiana Insurance Code.

B. Except as otherwise provided in R.S. 22:1544(B) and 22:1562(C)(1), no person shall act as or hold himself out to be an insurance producer unless licensed by the department as required by R.S. 22:1543.

C. In accordance with R.S. 22:1543(B), an insurance producer is not authorized to sell, solicit, make an application for, procure, or place for others any policies for any lines of insurance as to which the insurance producer is not qualified and duly licensed in the state of Louisiana.

D. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1873 (September 2007), amended LR 47:

§12111. Qualifications for Binding Authority

A. In order to bind coverage for the FAIR Plan and the Coastal Plan through Citizens, each duly licensed insurance producer must meet the following requirements:

1. ...

2. complete any previously approved and required Citizens education seminar, as well as review and follow all training documents, rules, and guidelines provided on Citizens' website

3. - 7. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1873 (September 2007), amended LR 47:

§12113. Procedures to Implement Binding Authority

A. The insurance producer shall list all unlicensed employees that shall have access to the E.P.I.C. system in order for the insurance producer to bind property and casualty insurance coverage for their clients with Citizens.

B. If the insurance producer is an insurance agency, it shall list each unlicensed employee or insurance producer that shall have access to the E.P.I.C. system in order for the insurance producer to bind property and casualty insurance coverage for their clients with Citizens.

C. Each insurance producer, whether an individual or an agency, shall assign an administrator who shall have the responsibility and authority to add and/or delete unlicensed employees, including insurance producers, who have been authorized to access the E.P.I.C. system. The administrator shall provide each unlicensed employee, including insurance producers, an E.P.I.C. system access code, and the administrator and insurance producer shall select a secure password to access the E.P.I.C. system. The administrator shall be responsible for managing the E.P.I.C. system interface with the insurance producer, whether an individual or an agency, and maintaining up-to-date information in the E.P.I.C. system.

D. Citizens will publish and maintain technical computer system requirements for the E.P.I.C. system. Instructions for using the E.P.I.C. system will be available on a web site created and maintained by Citizens. Insurance producers are responsible for ensuring that their computer systems and internal resources meet the technical computer system requirements and that their unlicensed employees, including insurance producers if an insurance agency, are properly trained on the use of the E.P.I.C. system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1873 (September 2007), amended LR 47:

§12115. Procedures for Application to Bind Coverage

A. ...

B. The insurance producer authorized to bind coverage with Citizens on the E.P.I.C. system shall provide a valid Louisiana property and casualty insurance producer license number issued by the department in each application for property and casualty coverage with Citizens utilizing the E.P.I.C. system. The administrator shall be responsible for maintaining an up-to-date list of insurance producers with the current insurance producer license number issued by the department.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1874 (September 2007), amended LR 47:

§12117. Education and Training

A. Each authorized insurance producer and each authorized employee of an insurance producer shall attend any certified continuing education seminar that may be

required by Citizens in order to maintain their binding authority. Citizens will provide appropriate notice to authorized insurance producers should a continuing education requirement be identified.

B. Each new insurance producer and each employee of a new insurance producer shall attend any previously approved and required Citizens education seminar, as well as review and follow all training documents, rules and guidelines provided on Citizens' website. As a prerequisite for authorization to bind coverage, new producers and existing producers must comply with this Regulation 87.

C. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1874 (September 2007), amended LR 47:

§12119. Errors and Omission Insurance

A. Each insurance producer, including the insurance agency if applicable, must provide documentary proof to Citizens that it has met and is carrying a required minimum of \$1,000,000 per occurrence and \$1,000,000 annual aggregate of professional liability coverage at the time of application for binding authority. Proof of professional liability coverage shall include, at a minimum, documentation that verifies the liability insurer, the amount of coverage and the duration of coverage. The administrator of the insurance producer shall update this proof of professional liability coverage in the E.P.I.C. system each year in advance of the expiration date of the coverage.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1874 (September 2007), amended LR 47:

§12123. Premium Payments Requirements

A. An insurance producer shall submit to Citizens an electronic payment, via the E.P.I.C. system, of the \$65 non-refundable application fee in order to receive a coverage confirmation letter. The policyholder, or the producer or mortgage company on behalf of the policyholder, has 14 days from the effective date of the Coverage Confirmation Letter to submit a minimum payment of 25 percent of the quoted policy premium plus 100 percent of all policy fees and taxes. If the minimum payment is not received by Citizens by the fourteenth day, the quote will expire. The E.P.I.C. system will allow payment electronically with either a credit card or an electronic transfer of funds (ETF). Both methods require a completed Funds Authorization Form to be submitted to Citizens via the E.P.I.C. system.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1874 (September 2007), amended LR 47:

§12125. Suspension and Termination of Binding Authority

A. - C. ...

D. An unlicensed employee who demonstrates a consistent pattern of submitting procedural errors or substantive errors on applications to bind coverage with Citizens may be denied the right to access the E.P.I.C. system on behalf of the insurance producer until such time as Citizens has determined that the subject unlicensed

employee has taken the actions required by Citizens to rectify the errors. The insurance producer, and if applicable an insurance agency, who is responsible for the unlicensed employee who has been sanctioned herein shall be subject to suspension or termination of the binding authority privileges as deemed appropriate by Citizens pursuant to the guidelines set forth in Subsections B, C, E and F.

E. - F. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2313 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Louisiana Citizens Property Insurance Corporation, LR 33:1875 (September 2007), amended LR 47:

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 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 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.

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 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, 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 Lisa Henson, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, or by faxing comments to (225) 342-1632. Comments will be accepted through the close of business, 4:30 p.m., August 19, 2021.

James J. Donelon
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 87—Louisiana Citizens Property Insurance Corporation Producer Binding Requirements

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 rule revisions amend Regulation 87 to conform to changes to the

plan of operations of the Louisiana Citizens Property Insurance Corporation.

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

The proposed rule changes will not affect 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 not result in any costs and/or economic benefits to directly affected persons or non-governmental groups. The rule revisions amend Regulation 87 to conform to changes to the plan of operations of the Louisiana Citizens Property Insurance Corporation.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule changes will not affect competition or employment.

S. Denise Gardner
Chief of Staff
2107#023

Alan M. Boxberger
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 118—Requirements in the Event of a
Declared Emergency (LAC 37:XIII.Chapter 179)

In accordance with R.S. 49:950 et seq., the Administrative Procedure Act, and through the authority granted under R.S. 22:1 et seq., and specifically R.S. 22:11, the Department of Insurance hereby gives notice of its intent to promulgate Regulation 118—Requirements in the Event of a Declared Emergency. The Department of Insurance is promulgating Regulation 118 to comply with Acts 2021, No. 223, §1 of the Regular Session of the Louisiana Legislature that enacted R.S. 22:11(C), which requires the commissioner to promulgate rules and regulations to govern the business of insurance in the event of a declaration of emergency.

Title 37

INSURANCE

Part XIII. Regulations

Chapter 179. Regulation 118—Requirements in the Event of a Declared Emergency

§17901. Purpose

A. The purpose of Regulation 118 is:

1. to establish requirements and set forth the procedure for the commissioner to implement rules and regulations on the business of insurance in the event of a declared emergency or public health emergency pursuant to the authority granted in La. R.S. 22:11(C);

2. to provide for a process for supplementing existing rules and regulations with emergency rules and regulations particular to the unique needs of a declared emergency or public health emergency;

3. to set forth the model requirements to be implemented in the event of a declared emergency or public health emergency having such effect as necessitates intervention by the commissioner.

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