

NOTICE OF INTENT

Department of Insurance

Office of the Commissioner

Regulation 106 — Replacement of Limited Benefit Insurance Policies

(LAC 37:XIII.Chapter 149)

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 106.

The purpose of the amendment to Regulation 106 is to provide the correct authority granted under the Insurance Code, specifically R.S. 22:1964(28), which prohibits the deliberate use of misrepresentation or false statements by insurance producers for the purpose of convincing a customer to replace a limited benefit insurance policy and directs the Commissioner of Insurance to promulgate rules and/or regulations addressing the replacement of limited benefit insurance policies as defined in R.S. 22:47(2)(c).

Title 37

INSURANCE

Part XIII. Regulations

Chapter 149. Regulation Number 106 — Replacement of Limited Benefit Insurance Policies

§14901. Purpose

A. Regulation 106 implements the provisions of Act 844, of the 2014 Regular Session of the Louisiana Legislature, specifically R.S. 22:1964 (28) which mandates that the Department of Insurance promulgate rules and/or regulations addressing the replacement of limited benefit insurance policies as defined in R.S.22:47(2)(c).

B. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:1964 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 44:2009 (November 2018), amended LR

§14905. Authority

A. Regulation 106 is promulgated by the commissioner pursuant to the authority granted under the Insurance Code, R.S. 22:1 et seq., particularly R.S. 22:11, and specifically R.S. 22:1964 (28).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:1964 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 44:2009 (November 2018), amended LR

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 Danielle Linkford 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., October 10, 2025.

Timothy J. Temple

Commissioner

Fiscal and Economic Impact Statement

1. 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 changes the correct authority granted under the Insurance code, R.S. 22:1964(28). This prohibit the deliberate use of misrepresentation or false statements by insurance producers for the purpose of convincing a customer to replace a limited benefit insurance policy and directs the Commissioner of Insurance to promulgate rules and/or regulations addressing the replacement of limited benefit insurance policies as defined in R.S. 22:47(2)(c).

2. 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.

3. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS. (Summary)

The proposed rule change will benefit directly affected persons by prohibiting the deliberate use of misrepresentation or false statements by insurance producers for the purpose of convincing a customer to replace a limited benefit insurance policy and directs the Commissioner of Insurance to promulgate rules and/or regulations addressing the replacement of limited benefit insurance policies as defined in R.S. 22:47(2)(c).

4. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT. (Summary)

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

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

Person Preparing Statement: <u>Anita R. Robert</u>	Department: <u>Louisiana Department of Insurance</u>
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Return Address: <u>P. O. Box 94214</u> <u>Baton Rouge, LA</u> <u>70804-9214</u>	Rule Title: <u>Replacement of Limited Benefit Insurance Policies</u>
	Effective Date: <u>Upon Publication</u>

SUMMARY
(Use Complete Sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE

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 provides the correct authority granted under the Insurance code, R.S. 22:1964(28). This prohibit the deliberate use of misrepresentation or false statements by insurance producers for the purpose of convincing a customer to replace a limited benefit insurance policy and directs the Commissioner of Insurance to promulgate rules and/or regulations addressing the replacement of limited benefit insurance policies as defined in R. S. 22:47(2)(c).

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 NON-GOVERNMENTAL GROUPS. (Summary)

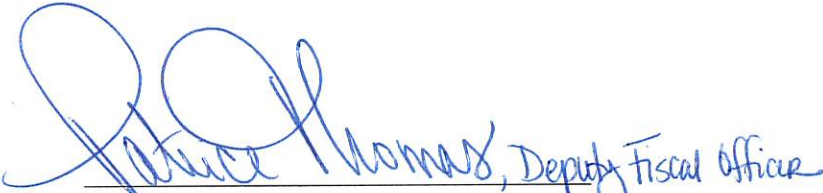
The proposed rule change will benefit directly affected persons by prohibiting the deliberate use of misrepresentation or false statements by insurance producers for the purpose of convincing a customer to replace a limited benefit insurance policy and directs the Commissioner of Insurance to promulgate rules and/or regulations addressing the replacement of limited benefit insurance policies as defined in R.S. 22:47(2)(c).

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

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


Chris Cerniauskas, Chief of Staff
La. Department of Insurance

8/7/25
Date of Signature


Latrice Thomas, Deputy Fiscal Officer
Legislative Fiscal Officer or Designee

8/07/2025
Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES

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 change is not anticipated to result in implementation costs or savings to the state or local governmental units. The proposed rule changes prohibit the deliberate use of misrepresentation or false statements by insurance producers for the purpose of convincing a customer to replace a limited benefit insurance policy and directs the Commissioner of Insurance to promulgate rules and/or regulations addressing the replacement of limited benefit insurance policies as defined in R. S. 22:47(2)(c).

- 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 its phases. The proposed rule change is being implemented to prohibit the deliberate use of misrepresentation or false statements by insurance producers for the purpose of convincing a customer to replace a limited benefit insurance policy and directs the Commissioner of Insurance to promulgate rules and/or regulations addressing the replacement of limited benefit insurance policies as defined in R. S. 22:47(2)(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.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM ACTION PROPOSED.

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

LDI does not anticipate any implementation costs (savings) as a result of the proposed rule change.

COSTS	FY 26	FY 27	FY 28
Personal Services	0	0	0
Operating Expenses	0	0	0
Professional Services	0	0	0
Other Charges	0	0	0
Equipment	0	0	0
Major Repairs & Constr.	0	0	0
TOTAL	0	0	0
POSITIONS (#)			

2. Provide a narrative explanation of the costs or savings shown in "A.1" above, including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The proposed rule will have no impact on state governmental expenditures.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 26	FY 27	FY 28
STATE GENERAL FUND	0	0	0
AGENCY SELF-GENERATED	0	0	0
DEDICATED	0	0	0
FEDERAL FUNDS	0	0	0
OTHER (SPECIFY)	0	0	0
TOTAL	0	0	0

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

No additional funding is necessary as a result of the proposed rule change.

B. COSTS OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

There is no impact on local governmental units as a result of the proposed rule change.

FISCAL AND ECONOMIC IMPACT STATEMENT
WORKSHEET
(Continued)

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

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

REVENUE INCREASE/DECREASE	FY 26	FY 27	FY 28
STATE GENERAL FUND	0	0	0
AGENCY SELF- GENERATED	0	0	0
DEDICATED FUNDS*	0	0	0
FEDERAL FUNDS	0	0	0
LOCAL FUNDS	0	0	0
TOTAL	0	0	0

*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A".
Describe all data, assumptions and methods used in calculating these increases or decreases.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL
BUSINESSES, OR NON-GOVERNMENTAL GROUPS

A. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.) they may have to incur as a result of the proposed action.

The proposed rule change will benefit directly affected persons by prohibiting the deliberate use of misrepresentation or false statements by insurance producers for the purpose of convincing a customer to replace a limited benefit insurance policy and directs the Commissioner of Insurance to promulgate rules and/or regulations addressing the replacement of limited benefit insurance policies as defined in R.S. 22:47(2)(c).

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

The proposed rule change is not anticipated to impact receipts or income of directly affected persons, small businesses, or non-governmental groups.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

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