

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 129 — Surplus Lines Insurance Refund or Credit of Gross Premium Taxes (LAC 37:XIII.Chapter 197)

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 129 — Surplus Lines Insurance Refund or Credit of Gross Premium Taxes. Regulation 129 defines the requirements to receive a surplus lines insurance refund or credit for taxes paid on gross premium received by the Louisiana Department of Insurance.

Title 37

INSURANCE

Part XIII. Regulations

Chapter 197. Regulation Number 129 — Surplus Lines Insurance Refund or Credit of Gross Premium Taxes

§19701. Purpose

The purpose of this regulation is to define the requirements to receive a surplus line insurance refund for taxes paid on gross premium received by the Louisiana Department of Insurance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, the Administrative Procedure Act, R.S. 49:950 et seq., and R.S. 22:439.

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

§19703. Applicability and Scope

- A. Regulation 129 shall apply to impositions of a tax of four and eighty-five one hundredths of one percent per annum on the gross premium without regard to the location of the covered property, risk, or exposure for all insurance placed through a Louisiana licensed surplus lines broker with a surplus lines insurer or other unauthorized insurer and for which Louisiana is the home state of the policyholder as defined in R.S. 22:46.
- B. The refund or credit shall only apply to Louisiana licensed surplus lines brokers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, the Administrative Procedure Act, R.S. 49:950 et seq., and R.S. 22:439.

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

§19707. Authorization of Refunds or Credit

- A. For the purpose of this Chapter, a refund or credit of gross premium taxes is authorized when there is a payment of tax when none was due.
- B. The commissioner may make a refund or credit of each payment where it is determined that the payment was the result of an error, omission, or a mistake of fact of consequence to the determination of the tax liability, whether on the part of the taxpayer or the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, the Administrative Procedure Act, R.S. 49:950 et seq., and R.S. 22:439.

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

§19709. Prescription Period of Refund or Credits

A. After three years from the 31st day of December of the year in which the tax became due or after one year from the date the tax was paid, whichever is the later, no refund or credit for a payment shall be made unless the commissioner has been notified of a claim for credit or refund by the taxpayer claiming such credit or refund before the expiration of said three-year or one-year period. The maximum amount which shall be refunded or credited shall be the amount paid within said three-year or one-year period.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, the Administrative Procedure Act, R.S. 49:950 et seq., and R.S. 22:439.

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

§19711. Effective Date

A. This regulation shall become effective upon final publication in the Louisiana Register.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, the Administrative Procedure Act, R.S. 49:950 et seq., and R.S. 22:439.

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 and repealed 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 and repealed 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 and repealed 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 and repealed 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 and repealed 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 and repealed 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 and repealed 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 and repealed 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 and repealed regulation should have no effect on employment and workforce development.

4. Describe the Effect on Taxes and Tax Credits. The proposed amended and repealed 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 and repealed 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 amended and repealed regulation on small businesses as defined in the Regulatory Flexibility Act has been considered. It is estimated that the proposed amended and repealed regulation 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 amended and repealed 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 and repealed 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 and repealed regulation should have no measurable impact upon small businesses.

3. A Statement of the Probable Effect on Impacted Small Businesses. The proposed amended and repealed 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 and repealed 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 and repealed 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 and repealed 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 and repealed 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) 342-7851, or electronically at regulations@ldi.la.gov. Comments will be accepted through the close of business, 4:30 p.m., June 10, 2024.

Timothy J. Temple
Commissioner

Fiscal and Economic Impact Statement

1. 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).

2. 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.

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

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

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