

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.

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

All interested persons are invited to submit written comments on the proposed regulation. Such comments must be received no later than March 19, 2019 by close of business or by 4:30 p.m. and should be addressed to Claire Lemoine, Louisiana Department of Insurance, and may be mailed to P.O. Box 94214, Baton Rouge, LA 70804-9214, faxed to (225) 342-1632. If comments are to be shipped or hand-delivered, please deliver to Poydras Building, 1702 North Third Street, Baton Rouge, LA 70802.

James J. Donelon
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 100—Coverage of Prescription Drugs through a Drug Formulary

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

The proposed rule changes will not result in additional costs or savings for state or local governmental units. The proposed rules 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.

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

The proposed rule change will not affect revenue collections for state or local governmental units.

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

The proposed rule change will not result in any costs and/or economic benefits to health insurers. The purpose of this amendment is to align the administrative rules with Act 316 of the 2012 Regular Session, regarding the coverage of prescription drugs through a drug formulary. Act 316 removes the requirement of health insurers to obtain approval from the Commissioner when implementing modifications to health insurance plans affecting drug coverage.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule change will not affect competition or employment.

Nicholas Lorusso
Chief Deputy Commissioner
1903#003

Evan Brasseaux
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 113—Registration of Catastrophe Claims
Adjusters (LAC 37:XIII.Chapter 163)

In accordance with R.S. 49:950 et seq., the Administrative Procedure Act, and through the authority granted under R.S. 22:11 et seq., the Department of Insurance hereby gives notice of its intent to promulgate Regulation 113 to establish the procedure to register claims adjusters in the event of a catastrophe or an emergency.

Title 37

INSURANCE

Part XIII. Regulations

Chapter 163. Regulation Number 113—Registration of Catastrophe Claims Adjusters

§16301. Purpose

A. The purpose of this regulation is:

1. To establish the procedure to register claims adjusters in the event of a catastrophe or an emergency pursuant to R.S. 22:1667 and 22:1678.

2. To set forth the time periods for expiration or extension of catastrophe or emergency adjuster registration and to set forth penalties pursuant to R.S. 22:1672.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1667, 22:1672 and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

§16303. Applicability and Scope

A. Regulation 113 shall apply to all adjusters employed or retained by an insurer and brought into the state for the purpose of investigating or making adjustment of losses resulting from a catastrophe or an emergency.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1667 and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

§16305. Authority

A. Regulation 113 is promulgated by the commissioner pursuant to the authority granted under the Louisiana Insurance Code, R.S. 22:11, 22:821, 22:1667, 22:1672 and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821, 22:1667, 22:1672 and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

§16307. Definitions

A. For the purposes of Regulation 113 the following terms are defined as follows:

Commissioner—the Commissioner of Insurance of the State of Louisiana.

Adjuster—an individual who investigates or adjusts losses on behalf of an insurer as an independent contractor or as an employee of:

- a. an adjustment bureau;
- b. an association;
- c. a property and casualty producer;
- d. an independent contractor;
- e. an insurer; or
- f. a managing general agent.

Catastrophe Adjuster—those adjusters employed or retained by an insurer and brought into this state for the purpose of investigating or making adjustments of losses resulting from a catastrophe or an emergency.

Catastrophe/Emergency—a significant event declared by the governor or determined by the commissioner that causes widespread property damage or loss.

Insurer—any type of insurer, whether authorized or unauthorized, conducting business in this state.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1667, and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

§16309. Designation of a Catastrophe/Emergency

A. Insurers shall be authorized to utilize catastrophe adjusters in the event of emergencies declared by the governor of this state pursuant to R.S. 29:724 and for any other event which the commissioner has determined to have caused widespread property damage or loss.

B. If not otherwise declared by the governor or determined by the commissioner, an insurer may request that the commissioner authorize the use of catastrophe adjusters by making a written request to the commissioner.

C. The written request shall include the date, geographic area within the state and a description of the event along with any factors which the insurer believes justifies such a declaration.

D. Upon approval of the catastrophe/emergency by the commissioner, the event shall be entered in the Louisiana Department of Insurance on-line system for registration of catastrophe adjusters.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1667, and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

§16311. Registration Procedure

A. No license shall be required for an individual who is employed or retained for a particular event by an insurer and brought into this state specifically for the purpose of investigating or making adjustments of losses resulting from a catastrophe or an emergency.

B. Prior to utilizing the services of a catastrophe adjuster, insurers shall register the individual as follows:

1. Access the department's online system for catastrophe adjuster registration;
2. Provide the following information:
 - a. the specific catastrophe/emergency for which the registration is active;
 - b. full name of the individual catastrophe adjuster;
 - c. Social Security Number or National Producer Number of the individual catastrophe adjuster;
 - d. the name, mailing address, email address and phone number of the individual with the insurer responsible for the registration of catastrophe adjusters; and
 - e. any additional information deemed necessary by the commissioner.
3. Submit the required fee to the commissioner pursuant to R.S. 22:821 within 10 days of the submission of the registration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821, 22:1667, and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

§16313. Registration Expiration and Extension

A. A catastrophe adjuster registration is effective upon submission provided fees are received within ten days. A registration shall be valid for a period not to exceed 180 days.

B. The commissioner may extend the registration's effective period for an additional ninety days upon the receipt of the insurer's written request for such an extension. The request must be submitted no later than 15 days prior to the expiration of the registration. The commissioner shall provide his written approval or denial of an extension request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821, 22:1667 and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

§16315. Violations and Penalties

A. The commissioner may, without notice and hearing, revoke the privileges of an individual registered as a catastrophe adjuster for the grounds specified in R.S. 22:1672.

B. Any notice of revocation shall be sent to the employing or retaining insurer. The notice shall be sent to

the insurer in accordance with R.S. 49:961. The revocation shall be effective as of the date of the notice of revocation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1667, 22:1672 and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

§16317. Effective Date

A. Regulation 113 shall become effective upon final publication in the *Louisiana Register* and shall apply to any act or practice committed on or after the effective date.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1667 and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

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

§16319. Severability

A. If any section or provision of Regulation 113 or the application to any individual or circumstance is held invalid, such invalidity or determination shall not affect other sections or provisions or the application of Regulation 113 to any individuals or circumstances that can be given effect without the invalid section or provision or application, and for these purposes the sections and provisions of Regulation 113 and the application to any individuals or circumstances are severable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1667 and 22:1678 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 45:

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.

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 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.

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.

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.

Public Comments

All interested persons are invited to submit written comments on the proposed regulation. Such comments must be received no later than May 22, 2019, by close of business or by 4:30 p.m. and should be addressed to Zata Ard,

Louisiana Department of Insurance, and may be mailed to P.O. Box 94214, Baton Rouge, LA 70804-9214, or faxed to (225) 342-1632. If comments are to be shipped or hand-delivered, please deliver to Poydras Building, 1702 North Third Street, Baton Rouge, LA 70802.

James J. Donelon
Commissioner

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

**RULE TITLE: Regulation 113—Registration of
Catastrophe Claims Adjusters**

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

The proposed rules will not result in additional costs or savings for state or local governmental units. The proposed rules align the administrative rules with statute and codify the procedure to register catastrophe claims adjusters, time periods for expiration or extension of catastrophe claims adjusters' ability to operate, and to set forth penalties pursuant to R.S. 22:1672. Act 783 of 2006 initially authorized insurers to utilize catastrophe adjusters in the event of emergencies declared by the governor of Louisiana or for any other event that the Commissioner of Insurance has determined to have caused widespread property damage or loss, and further required the registration of catastrophe adjusters, including registration fees.

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

The proposed rules are not anticipated to affect revenue collections for state or local governmental units. While the proposed rules include language allowing for the collection of fees when registering catastrophe adjusters, the LA Dept. of Insurance presently collects a \$25 fee associated with registering catastrophe adjusters pursuant to LA R.S. 22:821.

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

The proposed rules will benefit insurers by codifying the registration process for catastrophe adjusters, including how catastrophe or emergency adjusters may be utilized by insurers in the event of emergencies declared by the governor of Louisiana or for any other event that the Commissioner of Insurance has determined to have caused widespread property damage or loss. The proposed rules align with present practice and statute. Included in the proposed rules is a process to allow insurers to request that the commissioner authorize the use of catastrophe adjusters by making a written request to the commissioner. Furthermore, the proposed rules limit catastrophe adjusters' timeframe to operate to 180 days with up to one 90-day extension upon request.

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

The proposed rules will not affect competition or employment.

Lance Harris
Assistant Commissioner
1904#047

Evan Brasseaux
Staff Director
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Revenue
Policy Services Division**

**Mandatory Electronic Filing of Tobacco Tax Returns and
Payment of Tax
(LAC 61.III.1533 and 1534)**

Under the authority of R.S. 13:5077, 47:1511, 47:1519, and 47:1520, and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., the Department of Revenue, Policy Services Division, gives notice that rulemaking procedures have been initiated to adopt LAC 61.III.1533 and 1534, to provide mandatory electronic filing and payment requirements for the Tobacco Tax Return and reports.

R.S. 47:1519(B)(1) authorizes the secretary to require payments by electronic funds transfer, and R.S. 47:1520(A)(2) authorizes the secretary the discretion to require electronic filing of tax returns or reports by administrative rule promulgated with legislative oversight in accordance with the Administrative Procedure Act, R.S. 49:950 et seq. The purpose of this regulation is to mandate electronic filing of all Tobacco Tax Returns and reports and electronic payment of all tobacco tax.

Title 61

REVENUE AND TAXATION

**Part III. Administrative and Miscellaneous Provisions
Chapter 15. Mandatory Electronic Filing of Tax
Returns and Payment**

§1533. Tobacco Tax—Electronic Filing Requirements

A. For tax periods beginning on or after October 1, 2019, every dealer that files a Louisiana Tobacco Tax Return shall be required to file the return and all reports electronically with the Department of Revenue using the electronic format prescribed by the department.

B. Dealers may not send paper versions of any returns or reports required to be filed.

C.1. Failure to comply with the electronic filing requirement of this section will result in the assessment of a penalty as provided for in R.S. 47:1520(B).

2. Waiver of the penalty provided for in paragraph 1 of this subsection shall only be allowed as provided for in R.S. 47:1520(B).

AUTHORITY NOTE: Promulgated in accordance with R.S. 13:5077, 47:1511, and 47:1520.

HISTORICAL NOTE: Promulgated by the Department of Revenue, Policy Services Division, LR

§1534. Tobacco Tax—Electronic Payment Required

A. R.S. 47:1519(B)(1) allows the secretary to require payment of tobacco tax by electronic funds transfer.

B. Effective for all taxable periods beginning on or after October 1, 2019, all payments by a tobacco dealer shall be electronically transferred to the Department of Revenue on or before the twentieth day following the close of the