



LOUISIANA DEPARTMENT OF INSURANCE  
JAMES J. DONELON  
COMMISSIONER

August 9, 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](mailto: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](mailto:apa.housespeaker@legis.la.gov)

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

ELECTRONIC TRANSMISSION  
[apa.s-ins@legis.la.gov](mailto:apa.s-ins@legis.la.gov)

The Honorable Chad Brown  
Chairman of the House Insurance Committee  
P.O. Box 94062  
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION  
[apa.h-ins@legis.la.gov](mailto:apa.h-ins@legis.la.gov)

RE: Summary Report – Regulation 17— Reinstatement of Policies

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

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 repeal of Regulation 17, which was published as a Notice of Intent in the June, 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 repeal of Regulation 17 and submit the rule to the Office of the State Register for publication in the September, 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](mailto:Lisa.Henson@ldi.la.gov).

Sincerely,



Lisa L. Henson  
Staff Attorney  
Louisiana Department of Insurance

Enclosure: Notice of Intent to Repeal Regulation 17— Reinstatement of Policies

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

It is anticipated that the implementation of this proposed rule will increase federal revenue collections by approximately \$270 for FY 20-21, \$10,103,209 for FY 21-22, and \$11,848,824 for FY 22-23. It is anticipated that \$270 will be collected in FY 20-21 for the federal share of the expense for promulgation of this proposed rule and the final rule.

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

This proposed Rule amends the provisions governing inpatient hospital services and ambulatory surgical centers in order to provide for reimbursement of laboratory testing for Coronavirus Disease 2019 (COVID-19) separately from inpatient hospital per diem payments and ambulatory surgical center flat fee reimbursement amounts. This proposed Rule will be beneficial to patients in inpatient hospitals and ambulatory surgical centers by improving access to COVID-19 testing. It is anticipated that implementation of this proposed Rule will increase payments to inpatient hospitals and ambulatory surgical centers by approximately \$12,901,267 for FY 21-22 and \$15,481,520 for FY 22-23.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

This rule has no known effect on competition and employment.

Tara A. LeBlanc  
Interim Medicaid Executive Director  
2106#038

Alan M. Boxberger  
Staff Director  
Legislative Fiscal Office

## NOTICE OF INTENT

### Department of Insurance Office of the Commissioner

#### Regulation 17—Reinstatement of Policies (LAC 37:XIII.Chapter 63)

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 repeal Regulation 17—Reinstatement of Policies.

Regulation 17 is being repealed because existing statutory language provides sufficient guidance, and regulatory clarification is no longer necessary.

#### Title 37

#### INSURANCE

#### Part XIII. Regulations

#### Chapter 63. Regulation 17—Reinstatement of Policies

#### §6301. Policy Directive Number Four to Non-Profit Funeral Associations

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:336 and 22:259(6).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, December 3, 1958, repealed 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 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 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.

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.

#### 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.

#### 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**

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., July 20, 2021.

James J. Donelon  
Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES  
RULE TITLE: Regulation 17  
Reinstatement of Policies**

**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 rule repeals Regulation 17 in its entirety.

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

The proposed rule changes will not affect revenue collections for 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 changes may result in indeterminable additional costs for insurers to the extent they must amend their certificate of authority to comply with the new regulations.

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

The proposed rule changes will not affect competition or employment.

Denise Gardner  
Chief of Staff  
2106#055

Alan M. Boxberger  
Staff Director  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Insurance  
Office of the Commissioner**

**Regulation 56—Credit for Reinsurance  
(LAC 37:XIII.Chapter 35)**

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 56—Credit for Reinsurance. The purpose of the amendment to Regulation 56 is to implement the amendments to the National Association of Insurance Commissioners (NAIC) Credit for Reinsurance Model Regulation (#786) which incorporates relevant provisions of the *Bilateral Agreement Between the United States of America and the European Union on Prudential Measures Regarding Insurance and Reinsurance*. These revisions provide for the establishment of credit for reinsurance ceded by a domestic insurer to an assuming insurer that is licensed to write reinsurance by, and has its head office or is domiciled in a reciprocal jurisdiction as defined and established by Regulation 56. Furthermore, Regulation 56 (1) provides parameters for capital and surplus requirements; (2) provides for risk based capital requirements; (3) provides for the requirement of monetary security; (4) imposes the requirement of the filing of annual audited financial statements; (5) provides for the prompt payment of claims under the reinsurance agreement and criteria to determine compliance; (6) provides for the publication of a list of reciprocal jurisdictions by the Commissioner; (7) establishes eligibility requirements in order for an assuming insurer to remain on the reciprocal jurisdiction list; (8) establishes the requirement of the RJ-1 form for assuming insurers to obtain eligibility; (9) provides for the requirement of security if an assuming insurer is placed in rehabilitation, liquidation or conservation; and (10) serves to reduce reinsurance collateral requirements for certified reinsurers that are licensed and domiciled in Qualified Jurisdictions.

**Title 37**

**INSURANCE**

**Part XIII. Regulations**

**Chapter 35. Regulation 56—Credit for Reinsurance  
§3507. Credit for Reinsurance—Accredited Reinsurers**

A. ...