

## NOTICE OF INTENT

### Department of Insurance Office of the Commissioner

#### Regulation 45—Filing of Affirmative Action Plans (LAC 37:XIII.Chapter 17)

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 amend Regulation 45 for the purpose of implementing the provisions of Act No. 274 of the 2015 Regular Session of the Louisiana State Legislature that reorganized and renamed several divisions within the Louisiana Department of Insurance, including the Division of Minority Affairs, which was renamed the of Division of Diversity and Opportunity.

### TITLE 37 INSURANCE

#### PART XIII. Regulations

#### Chapter 17. Regulation Number 45— Filing of Affirmative Action Plans

##### §1701. Purpose

A. The purpose of this regulation is to implement R.S. 22:33(A)(1), which requires an insurer to file an affirmative action plan upon the violation of a cease and desist order issued by the commissioner after hearing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:32 and 22:33 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 19:1581 (December 1993); LR \_\_\_\_ (\_\_\_\_\_ 2020).

##### §1703. Applicability and Scope

A. This regulation applies to any insurer that is called for hearing before the commissioner for violating Chapter 1, Part I, Subpart C of the Insurance Code (Equal Opportunity in Insurance) and found to be in violation of a cease and desist order issued in accordance with the provisions of R.S. 22:33(A). It sets forth the minimum content and procedures for the filing of an affirmative action plan by an insurer who violates Chapter 1, Part I, Subpart C of the Insurance Code, and who then violates a cease and desist order issued by the commissioner after hearing.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:32 and 22:33 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 19:1581 (December 1993); LR \_\_\_\_ (\_\_\_\_\_ 2020).

##### §1705. Content and Procedure

A. The commissioner shall notify an insurer of its violation of a cease and desist order issued pursuant to Chapter 1, Part I, Subpart C of the Insurance Code by certified U.S. mail, return receipt requested. Said notification shall also direct the insurer to file an affirmative action plan.

B. ...

C. The insurer shall file its plan by means of the U.S. mail, and it shall contain the minimum requirements stated in R.S. 22:33(C)(4)(a) and (b).

D. The insurer shall address the plan to the attention of the Division of Diversity and Opportunity.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:32 and 22:33 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 19:1581 (December 1993); LR \_\_ (\_\_\_\_\_ 2020).

**§1707. Effective Date**

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

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:32 and 22:33 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 19:1581 (December 1993); LR \_\_ (\_\_\_\_\_ 2020).

## **FAMILY IMPACT STATEMENT**

### **Attachment to Regulation 45**

#### **FILING OF AFFIRMATIVE ACTION PLANS**

**I. Describe the effect of the proposed regulation on the stability of the family.**

The proposed amended rule should have no measurable impact upon the stability of the family.

**II. 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 rule should have no impact upon the rights and authority of parents regarding the education and supervision of their children.

**III. Describe the effect of the proposed regulation on the functioning of the family.**

The proposed amended rule should have no direct impact upon the functioning of the family.

**IV. Describe the effect of the proposed regulation on family earnings and budget.**

The proposed amended rule should have no direct impact upon family earnings and budget.

**V. Describe the effect of the proposed regulation on the behavior and personal responsibility of children.**

The proposed amended rule should have no impact upon the behavior and personal responsibility of children.

**VI. 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 rule 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

## Attachment to Regulation 45

### FILING OF AFFIRMATIVE ACTION PLANS

**I. Describe the effect on household income, assets, and financial security.**

The proposed amended rule should have no effect on household income assets and financial security.

**II. Describe the effect on early childhood development and preschool through postsecondary education development.**

The proposed amended rule should have no effect on early childhood development and preschool through postsecondary education development.

**III. Describe the effect on employment and workforce development.**

The proposed amended rule should have no effect on employment and workforce development.

**IV. Describe the effect on taxes and tax credits.**

The proposed amended rule should have no effect on taxes and tax credits.

**V. Describe the effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.**

The proposed amended rule should have no effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.

## SMALL BUSINESS STATEMENT

### Attachment to Regulation 45

#### FILING OF AFFIRMATIVE ACTION PLANS

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.

**I. Identification and estimate of the number of the small businesses subject to the proposed rule.**

The proposed amended rule should have no measurable impact upon small businesses.

**II. 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 rule should have no measurable impact upon small businesses.

**III. A statement of the probable effect on impacted small businesses.**

The proposed amended rule should have no measurable impact upon small businesses.

**IV. Describe any less intrusive or less costly alternative methods of achieving the purpose of the proposed rule.**

The proposed amended rule should have no measurable impact on small businesses; therefore, will have no less intrusive or less cost alternative methods.

## **PROVIDER IMPACT STATEMENT**

### **Attachment to Regulation 45**

#### **FILING OF AFFIRMATIVE ACTION PLANS**

**I. Describe the effect on the staffing level requirements or qualifications required to provide the same level of service.**

The proposed amended rule will have no effect.

**II. The total direct and indirect effect on the cost to the provider to provide the same level of service.**

The proposed amended rule will have no effect.

**III. The overall effect on the ability of the provider to provide the same level of service.**

The proposed amended rule 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 June 22, 2020, by close of business or by 4:30 p.m. and should be addressed to Lisa Henson, 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 of Insurance

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

Person Preparing Statement:	Anita Robert	Dept.:	Louisiana Department of Insurance
Phone:	(225) 219-0609	Office:	Management & Finance
Return Address:	P. O. Box 94214 Baton Rouge, LA 70804-9214	Rule Title:	Filing of Affirmative Action Plans
		Date Rule Takes Effect:	Upon Publication

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 changes will not result in additional costs or savings for state or local governmental units. The proposed amendments implement provisions of Act 274 of 2015, which reorganized and renamed several divisions within the LA Dept. of Insurance, including the Division of Minority Affairs, which was renamed the Division of Diversity and Opportunity.

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 NON-GOVERNMENTAL GROUPS (Summary)

There are no estimated costs and/or economic benefits to directly affected persons or non-governmental groups. The proposed rule change implements provisions of Act 274 of 2015, which reorganized and renamed several divisions within the LA Dept. of Insurance, including the Division of Minority Affairs, which was renamed the Division of Diversity and Opportunity.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule changes will not affect competition or employment.

---

Denise Brignac, Chief of Staff  
Louisiana Department of Insurance

---

Legislative Fiscal Officer or Designee

---

Date of Signature

---

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 appropriate legislative oversight subcommittee in its deliberation 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 both the current and proposed rules with amended portions indicated).

The proposed rule amends Regulation 45 for the purpose of implementing the provisions of Act No. 274 of the 2015 Regular Session of the Louisiana State Legislature that reorganized and renamed several divisions within the LA Dept. of Insurance, including the Division of Minority Affairs, which was renamed the Division of Diversity and Opportunity.

- B. Summarize the circumstances, which require this action. If the Action is required by federal regulation, attach a copy of the applicable regulation.

LA Dept. of Insurance is tasked with administering the Insurance Code, which regulates the business of Insurance in all of its phases. The proposed rule amends Regulation 45 for the purpose of implementing the provisions of Act No. 274 of the 2015 Regular Session of the Louisiana State Legislature that reorganized and renamed several divisions within the LA Dept. of Insurance, including the Division of Minority Affairs, which was renamed the Division of Diversity and Opportunity.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session

- (1) Will the proposed rule change result in any increase in the expenditure of funds? If so, specify amount and source of funding.

No increase in expenditure of funds is anticipated as a result of the proposed legislation.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

(a) \_\_\_\_\_ Yes. If yes, attach documentation.

(b) \_\_\_\_\_ 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 THE ACTION PROPOSED

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

The proposed rule changes will not result in additional costs or savings for state or local governmental units. The proposed amendments implement provisions of Act 274 of 2015, which reorganized and renamed several divisions within the LA Dept. of Insurance, including the Division of Minority Affairs, which was renamed the Division of Diversity and Opportunity.

<b>COSTS</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>
Personal Services			
Operating Expenses			
Professional Services			
Other Charges			
Equipment			
Major Repairs & Constr.			
<b>TOTAL</b>			
<b>POSITIONS (#)</b>			

2. Provide a narrative explanation of the costs or savings shown in "A. 1.", 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.

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

<b>SOURCE</b>	<b>FY 20</b>	<b>FY 21</b>	<b>FY 22</b>
State General Fund			
Agency Self-Generated			
Dedicated			
Federal Funds			
Other (Specify)			
<b>TOTAL</b>			

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 to implement the proposed regulation.

B. COST 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.

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

2. Indicate the sources of funding of the local governmental unit, which will be affected by these costs or savings.

No source of funding is necessary; there is no impact on local government units as a result of the proposed rule.

**FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET**

**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 will not affect revenue collections for state or local governmental units.

REVENUE INCREASE/DECREASE	FY 20	FY 21	FY 22
State General Fund			
Agency Self-Generated			
Dedicated Funds*			
Federal Funds			
Local Funds			
<b>TOTAL</b>			

\*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 NONGOVERNMENTAL 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.

There are no estimated costs and/or economic benefits to directly affected persons or non-governmental groups. The proposed rule change implements provisions of Act. 274 of 2015, which reorganized and renamed several divisions within the LA Dept. of Insurance, including the Division of Minority Affairs, which was renamed the Division of Diversity and Opportunity.

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.

**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 rules will not affect competition or employment