



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

October 14, 2022

The Honorable Patrick Page Cortez
President, Louisiana State Senate
P.O. Box 94183
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
apa.senatepresident@legis.la.gov

The Honorable Clay Schexnayder
Speaker, Louisiana House of Representatives
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ELECTRONIC TRANSMISSION
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The Honorable Kirk Talbot
Chairman of the Senate Insurance Committee
P.O. Box 94183
Baton Rouge, LA 70804

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

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RE: Summary Report, Regulation 114—Claims Adjuster Pre-Licensing Education Program

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

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 with final rulemaking of Regulation 114, which was published as a Notice of Intent in the August 2022 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 substantive written or oral comments before the end of the comment period. The LDI received thirteen requests to be removed from the LDI's email list. Those requests were forwarded to the appropriate department to be addressed.

Subject to legislative oversight, the LDI would like to repeal Regulation 114 and submit it to the Office of the State Register for final publication in the December 2022 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).

Enclosures: Notice of Intent published August 20, 2022

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., September 12, 2022.

James J. Donelon
Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Rule 10—Continuing Education**

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

The proposed rule is not anticipated to result in implementation costs or savings to the state or local governmental units. The proposed rule is being amended to implement the provisions of Act 56 and Act 273 of the 2022 Louisiana Regular Legislative Session. The amendments remove the first renewal exemption for completion of continuing education as prelicensing education is no longer required. Also, the amendments update the required information that must be submitted to qualify for continuing education credit for participation in professional association activities; clarifies what data is required in association with the renewal of continuing education courses; modifies terminology relative to accident and health insurance and terminology related to the commissioner; and makes other technical changes.

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

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

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

The proposed is amended to update the continuing education requirements as implemented under the provisions of Act 56 and Act 273 of the 2022 Louisiana Regular Legislative Session.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

S. Denise Gardner
Chief of Staff
2208#043

Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Insurance
Office of the Commissioner**

**Regulation 114—Claims Adjuster Pre-Licensing
Education Program (LAC 37:XIII.Chapter 165)**

In accordance with R.S. 49:950 et seq., the Administrative Procedure Act, and through the authority granted under R.S. 22:1 et seq., and specifically R.S. 22:11, the Department of Insurance hereby gives notice of its intent to repeal Regulation 114—Claims Adjuster Pre-Licensing Education Program. The Department of Insurance is repealing Regulation 114 in light of Acts 2022, No. 273, §1 of the Regular Session of the Louisiana Legislature that amended

and reenacted R.S. 22:821(B)(29), 1551(A) and (B), the heading of Subpart B of Part I of Chapter 5 of Title 22 of the Louisiana Revised Statutes of 1950, R.S. 22:1573(B), 1574(A)(4), 1581(B)(1), 1808.2(C)(6) and (E), and 1808.6(A) and (B) and repealed R.S. 22:513(B)(6), 1545(C), 1546(A)(4), 1571, 1808.2(C)(1) through (5), and 1808.3(A)(4), relative to pre-licensing requirements for insurance producers and bail enforcement agents.

The purpose of Regulation 114 was to provide for the submission of approved pre-licensing education programs to be listed on the web page of the Louisiana Department of Insurance and to establish the requirements and set forth the procedure for pre-licensing programs and providers of programs by the Commissioner.

Title 37

INSURANCE

Part XIII. Regulations

**Chapter 165 Regulation Number 114—Claims
Adjuster Pre-Licensing Education
Program**

§16501. Purpose

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16503. Applicability and Scope

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16505. Authority

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16507. Definitions

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

**§16509. Claims Adjuster Pre-Licensing Education
Program Optional**

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

**§16511. Posting of Information for Claims Adjuster Pre-
Licensing Education**

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16513. Program Approval Requirements

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16515. Program Expiration

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16517. Provider Approval Requirements

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16519. Provider Approval Expiration

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16521. Instructor Qualifications

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16523. Training Facilities Requirements

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16525. Program Oversight

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16527. Program Completion

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16529. Fees

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16531. Complaints

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16533. Violations

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16535. Effective Date

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

§16537. Severability

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1668, 22:1678, the Administrative Procedure Act, R.S. 49:950 et seq., and Acts 2022, No. 273, §1.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 46:37 (January 2020), repealed LR 48:

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 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 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.

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 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.

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.

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, by faxing comments to (225) 342-1632, or electronically to regulations@ldi.la.gov. Comments will be accepted through the close of business, 4:30 p.m., September 12, 2022.

James J. Donelon
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 114—Claims Adjuster Pre-Licensing Education Program

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 rule revisions repeal Regulation 114, which was implemented to provide for the submission of approved pre-licensing education programs to be listed on the web page of the Louisiana Department of Insurance and to establish the requirements and set forth the procedure for pre-licensing programs and providers of programs by the Commissioner. LDI is repealing Regulation 114 in light of Act 273 of 2022, which repeals pre-licensing requirements for insurance producers and bail enforcement agents.

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

The proposed rule changes will not affect revenue collections of 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 change will not result in any costs and/or economic benefits to directly affected persons or nongovernmental groups. The rule revisions repeal Regulation 114, which was implemented to provide for the submission of approved pre-licensing education programs to be listed on the web page of the Louisiana Department of Insurance and to establish the requirements and set forth the procedure for pre-licensing programs and providers of programs by the Commissioner. LDI is repealing Regulation 114 in light of Act 273 of 2022, which repeals pre-licensing requirements for insurance producers and bail enforcement agents.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)

The proposed rule changes will not affect competition or employment.

S. Denise Gardner
Chief of Staff
2208#045

Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Insurance
Office of the Commissioner**

Regulation 123—Producer Responsibility
for Bail Bond Collateral
(LAC 37:XIII.Chapter 187)

The Department of Insurance, pursuant to the authority provided in 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 123—Producer Responsibility for Bail Bond Collateral. Regulation 123 establishes requirements and restrictions imposed upon bail bond producers and sureties who receive collateral in connection with a bail bond transaction. The regulation also sets forth standards for collecting, holding, and returning collateral upon the final termination of liability on the bond. Lastly, Regulation 123 requires that a written collateral agreement accompany all bail bond transactions involving collateral security.

**Title 37
INSURANCE**

Part XIII. Regulations

**Chapter 187. Regulation 123—Producer Responsibility
for Bail Bond Collateral**

§18701. Authority

A. This regulation is promulgated on behalf of the Department of Insurance by the Commissioner of Insurance pursuant to the authority granted under Title 22.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:1542, 22:1547, 22:1554, 22:1562, and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:

§18703. Purpose

A. The purpose of this regulation is to establish and identify the responsibilities of an insurance producer licensed for the line of bail bonds with respect to collateral accepted and held by the producer pursuant to a written bail bond collateral agreement.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:1542, 22:1547, 22:1554, 22:1562, and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:

§18705. Scope and Applicability

A. Regulation 123 sets forth requirements related to bail bond collateral agreements and identifies the responsibilities of a bail bond producer with respect to any collateral received as part of a bail bond transaction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, 22:11, 22:1542, 22:1547, 22:1554, 22:1562, and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:

§18707. Severability

A. The provisions of this Subpart are severable. If any provision or item of this Subpart, or application thereof, is held invalid, such invalidity shall not affect other provisions, items, or applications of this Subpart which are to be given effect without the invalid provision, item, or application of the Subpart.

AUTHORITY NOTE: Promulgated in accordance with R.S. R.S. 22:2, 22:11, 22:1542, 22:1547, 22:1554, 22:1562, and the Administrative Procedure Act, R.S. 49:950, et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:

§18709. Definitions

A. These terms when used in this Chapter shall have the following meanings.

Bail—the security given by a person to assure a defendant's appearance before the proper criminal court whenever required.

Bail Bond Producer—any person, corporation, or partnership which holds an insurance license and has a contract and an appointment from an insurer licensed and authorized to provide surety in Louisiana.

Bail Bond Transaction—a transaction between a bail bond producer or agency and defendant or person on behalf of defendant to secure collateral, premiums, and fees for securing the release of a defendant and guaranteeing a set sum of money to the court if the defendant fails to appear in criminal court when required. Furthermore, a bail bond transaction includes the solicitation and inducement, preliminary negotiation, and effectuation of a contract of surety insurance and matters related thereto, all in connection with the defendant's release.

Collateral—anything of value, including money, personal property, or real property, which is accepted by a bail bond producer as security against potential losses arising from a contract of surety and is utilized as part of a bail bond transaction.

Commissioner—the Louisiana Commissioner of Insurance.

Fiduciary—a person who holds a thing in trust for another, such as a trustee; a person holding the character of a trustee, or a character analogous to that of a trustee, with respect to the trust and confidence involved in it and the scrupulous good faith and candor which it requires; a person having the duty, created by his undertaking, to act primarily for another's benefit in matters connected with such undertaking.

Forfeiture—the issuance of a judgment of bond forfeiture resulting from a defendant's failure to appear in court when required or to otherwise comply with any court ordered conditions of release as contemplated in the Code of Criminal Procedure.

Insurance Producer—a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance, and includes all persons or business entities otherwise referred to in Title 22 of the Louisiana Insurance Code as insurance agent or agent, or insurance broker or broker, or insurance solicitor or solicitor, or surplus lines broker.