



LOUISIANA DEPARTMENT OF INSURANCE
TIMOTHY J. TEMPLE
COMMISSIONER

August 28, 2024

The Honorable Cameron Henry
President, Louisiana State Senate
P.O. Box 94183
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
apa.senatepresident@legis.la.gov

The Honorable Phillip DeVillier
Speaker, Louisiana House of Representatives
P.O. Box 94062
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
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The Honorable Kirk Talbot
Chairman of the Senate Insurance Committee
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The Honorable Michael "Gabe" Firment
Chairman of the House Insurance Committee
P.O. Box 94062
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
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RE: Summary Report – Notice of Intent to Promulgate Regulation 130 - Insurance Premium Tax Credits for Retaliatory Taxes Paid by Certain Domestic Insurers

Dear President Henry, Speaker DeVillier, Senator Talbot, and Representative Firment:

The Louisiana Department of Insurance (LDI) hereby submits the following summary report required by [La. R.S. 49:966\(D\)\(1\)\(b\)](#) and announces its intention to proceed to finalize Regulation 130, which was published as a Notice of Intent in the July 2024 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 intends to submit the proposed amendment to Regulation 130 to the Office of the State Register for final publication in the October 2024 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. 49:966\(D\)\(1\)\(c\)](#).

Enclosure: Notice of Intent to Promulgate Regulation 130 – Insurance Premium Tax Credits for Retaliatory Taxes Paid by Certain Domestic Insurers

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 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 Philip Dominique, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, or 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., August 12, 2024.

Tim Temple
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 126—Louisiana Fortify Homes Program

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 promulgated to provide additional clarification with respect to the administration of the Louisiana Fortify Homes Program (LFHP) in accordance with Act 554 of the 2022 Louisiana Regular Legislative Session.

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 rule provides clarification with respect to the administration of the LFHP. This may benefit contractors by clarifying requirements for contractor eligibility and conflicts of interest. Also, homeowners who apply for the program may benefit from clarification regarding grant eligibility as well as the application and grant process.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule outlines contractor eligibility requirements, evaluator eligibility requirements, and outlines conflicts of interest of the LFHP.

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Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 130—Insurance Premium Tax Credits for
Retaliatory Taxes Paid by Certain Domestic Insurers
(LAC 37:XIII.Chapter 199)

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 130—Insurance Premium Tax Credits for Retaliatory Taxes Paid by Certain Domestic Insurers*. Regulation 130 implements the provisions of Act No. 428 of the 2023 Regular Session. The law creates an insurance premium tax refundable credit for retaliatory taxes paid by certain domestic insurers.

Title 37

INSURANCE

Part XIII. Regulations

Chapter 199. Regulation Number 130—Insurance Premium Tax Credits for Retaliatory Taxes Paid by Certain Domestic Insurers

§19901. Purpose

A. The purpose of this regulation is to implement the provisions of Act No. 428 of the 2023 Regular Session. The law creates an insurance premium tax refundable credit for retaliatory taxes paid by certain domestic insurers.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:836, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 50:

§19903. Applicability and Scope

A. This regulation applies to Louisiana domestic insurers that are authorized to write and do write insurance in Louisiana on an admitted basis and in at least one other state on an admitted basis as of July 1, 2023.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:836, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 50:

§19905. Definitions

Commissioner—the commissioner of insurance for the State of Louisiana.

LDI—the Louisiana Department of Insurance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:836, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 50:

§19907. Calculation of the Refundable Credit; Proof of Credit; Affidavit

A. Domestic admitted insurers who have paid retaliatory tax based on premiums written in the preceding year shall provide evidence of the retaliatory taxes paid to other states along with Form 836. Evidence may consist of tax returns,

invoices, copies of checks, or other documents that support the payment of the retaliatory taxes. Form 836 will be due by April 15th of each year.

B. Within 60 days after receiving all applications of the retaliatory credits, the LDI shall issue a refund for the retaliatory amounts paid by the domestic insurer. The maximum amount of refundable credits shall not exceed nine million dollars per fiscal year for the total of all domestic insurers claiming credits. If the total amount of refundable credits claimed by all eligible domestic insurers exceeds nine million dollars, the refunds shall be made on a pro rata basis to the eligible domestic insurers based upon the proportion of the total amount paid by each domestic insurer for the preceding year.

C. An affidavit must be included with Form 836 certifying the commissioner that the domestic insurer will use the retaliatory credit refund monies exclusively for Louisiana-specific purposes.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:836, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 50:

§19909. Request for Refundable Tax Credit; Dispute Resolution

A. Domestic insurers seeking a refundable tax credit shall submit a request to the LDI pursuant to R.S.22:836 on Form 836 which shall be designed by the commissioner. The request shall be submitted no later than April 15th of each year. The commissioner may disapprove a tax credit either in whole or in part if the required supporting documents are missing.

B. If the commissioner disapproves in whole or in part, a refundable tax credit filed by a domestic insurer, he shall give written notice to the domestic insurer, stating grounds for disapproval. The notice shall be sent to the address shown on the records of the LDI. The insurer shall have 30 days to dispute the disapproval of the commissioner or supply the missing documentation.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:836, and the Administrative Procedure Act, R.S. 49:950 et seq.

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

§19911. Effective Date; Implementation

A. This regulation shall take effect on January 1, 2024. The initial applications for the refundable retaliatory tax credits must be filed by April 15, 2025. This regulation sunsets December 31, 2029. The last applications for the refundable tax credits must be filed by April 15, 2030, for the year of 2029.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:836, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 50:

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., August 10, 2024.

Timothy J. Temple
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 130—Insurance Premium Tax Credits for Retaliatory Taxes Paid by Certain Domestic Insurers

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

The proposed regulation change will not result in additional costs or savings for state and local government units. The proposed regulation change is to implement the provisions of Act No. 428 of the 2023 Regular Session. The law creates an insurance premium tax refundable credit for retaliatory taxes paid by certain domestic insurers.

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

The proposed regulation will have no impact on the state or local government revenues.

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

The proposed regulation change will not result in any costs and/or economic benefits to directly affected persons or nongovernmental groups. The proposed regulation change promulgates Regulation 130 due to the passage of Act No. 428 of the 2023 Regular Session.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

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Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Public Safety Office of Motor Vehicles

Reinstatement Relief Program (LAC 55:III.1801 and 1803)

In compliance with Act 629 of the 2024 Regular Session of the Louisiana Legislature, (“Act”), the Department of Public Safety and Corrections, Office of Motor Vehicles (“OMV”) is required to create a Reinstatement Relief Program to assist citizens to reinstate outstanding insurance cancellations and the related reinstatement fees. In connection with the Reinstatement Relief Program, the OMV Commissioner is authorized by the Act to settle and compromise the debt citizens owe in the form of insurance cancellation fees. There currently over 600,000 people whose driving privileges are suspended, or who cannot obtain a valid renewed or duplicate driver’s license because of a block on their record. Further, there are approximately 1.8 million unresolved insurance cancellations. Many of these people simply do not have the financial resources to pay these debts. It is also likely that some of the people are driving illegally without a valid driver’s license and without being covered by liability insurance. OMV intends that the permanent Rule become effective on October 20, 2024.

Title 55

PUBLIC SAFETY

Part III. Motor Vehicles

Chapter 18. Reinstatement Relief Program §1801. Application

A. Any person shall complete and sign the Reinstatement Relief Program application form in order to apply for participation in the Reinstatement Relief Program. Any application or request, no matter in what form, which is not on the Office of Motor Vehicles approved application form shall be rejected, and such applicant shall not be considered for participation in the Reinstatement Relief Program until they submit the application on the approved form.