



LOUISIANA DEPARTMENT OF INSURANCE

TIMOTHY J. TEMPLE
COMMISSIONER

June 2, 2025

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

Via email
apa.senatepresident@legis.la.gov

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

Via email
apa.housespeaker@legis.la.gov

The Honorable Kirk Talbot
Senate Committee on Insurance
P.O. Box 94183
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Via email
apa.s-ins@legis.la.gov

The Honorable Michael "Gabe" Firment
House Committee on Insurance
P.O. Box 94062
Baton Rouge, LA 70804

Via email
apa.h-ins@legis.la.gov

RE: Summary Report – Regulation 134 - Insurance Regulatory
Sandbox 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 finalize Regulation 134, which was published as a Notice of Intent in the April 2025 edition of the *Louisiana Register*.

Interested persons were provided an opportunity to submit comments to the LDI on the proposed regulation. The LDI received a comment in response to the Notice of Intent and the LDI responds accordingly. The comment and the LDI's response is summarized below and enclosed for your review.

Comment: Justine D'Ooge submitted the following comment:

I am writing to expression [sic] my concern and opposition to Regulation 134. Louisiana consumers need strong application of the law and regulations, not products that would allow insurers to operate beyond the laws. I am particularly concerned by the proposed

“confidentiality of waiver application” which seems to undermine the idea that insurers operate in good faith.

LDI Response to Comment:

The LDI rejects the recommendation to remove the provision found in Regulation 134 which allows the waiver application and materials to remain confidential. The provision is necessary to protect sensitive business information and encourage full and honest disclosure by applicants during the review process. The provision ensures that proprietary or strategic information shared during the waiver process is not exposed to competitors, which could otherwise deter participation and innovation in the insurance market.

Subject to legislative oversight, the LDI intends to submit Regulation 134 to the Office of the State Register for final publication in the July 2025 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 – Regulation 134

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., May 10, 2025.

Timothy J. Temple
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES RULE TITLE: Regulation 133—Adequate Payment of Pharmacy and Pharmacist Claims

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 change is being implemented to carry out the intent of the legislature based on Act 768 of the 2024 Regular Session and to ensure full compliance with the applicable statutory provisions. Since Act 768 was effective on 1/01/2025, there is no fiscal impact. This regulation sets forth a set of minimum payment system design standards to govern pharmacy benefit manager pharmacy and pharmacist reimbursement strategies. Therefore, this regulation only creates a pathway for complying with Act 768, and industry costs are anticipated to change as a result of this Act.

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

The proposed rule will have no impact on 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 will benefit directly affected persons by carrying out the intent of the legislature based on Act 768 of the 2024 Regular Session and ensuring full compliance with the applicable statutory provisions. This regulation sets forth a set of minimum payment system design standards to govern pharmacy benefit manager pharmacy and pharmacist reimbursement strategies. Insurers could choose the cheaper of

direct compliance with the Act or use of the safe harbor in regulation, which could slightly reduce costs, creating modest industry savings, mostly in reduced administrative costs. However, the regulation itself will be cost neutral for the industry.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

Chris Cerniauskas
Chief of Staff
2504#001

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 134—Insurance Regulatory Sandbox Program
(LAC 37:XIII.Chapter 203)

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 134—Insurance Regulatory Sandbox Program.

The Insurance Regulatory Sandbox Act was enacted through the passage of Act 229 of the 2024 Regular Session of the Louisiana Legislature which allows the Insurance commissioner to grant temporary waivers from certain insurance laws and regulations to facilitate the introduction of innovative insurance products and services. Regulation 134 sets forth the standards and procedures relative to a person's participation in the Insurance Regulatory Sandbox Program.

Title 37 INSURANCE

Part XIII. Regulations

Chapter 203. Regulation Number 134—Insurance Regulatory Sandbox Program

§20301. Purpose

A. The purpose of Regulation 134 is to exercise the authority and carry out the duties and responsibilities of the commissioner for implementation and regulation of the Insurance Regulatory Sandbox Program, hereinafter referred to as the "Regulatory Sandbox." Regulation 134 sets forth rules and procedural requirements which the commissioner deems necessary for participation in the Regulatory Sandbox.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20303. Applicability and Scope

A. Regulation 134 shall apply to all persons that apply to participate in the Regulatory Sandbox in Louisiana.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20305. Pre-Application Conference

A. The applicant may request in writing or by electronic means a pre-application conference to discuss the nature of the offering. Requests must be made in writing or by electronic means to the commissioner through the Office of Policy, Innovation and Research. The commissioner has 10 days to respond to such requests.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20307. Definitions

A. Strictly for the purposes of Regulation 134, the following terms are defined as follows:

Applicant—the person or business entity applying for an innovation waiver.

Commissioner—the Louisiana Commissioner of Insurance.

Consumer—a person that purchases or otherwise enters into a transaction or agreement to receive an innovative insurance product or service that is being tested by a participant.

Demonstration—to temporarily provide an offering in accordance with the provisions of Regulation 134.

Department—the Louisiana Department of Insurance.

Key Personnel—any employee or contractor of the applicant involved with the product or service which is subject to the innovation waiver.

Innovation—the use or incorporation of a new or existing idea, a new use or emerging technology, or a new use of existing technology to address a problem, provide a benefit, or otherwise offer a product, production method, service, business model, or delivery mechanism that is not known by the department to have a comparable widespread offering in the state.

Innovation Waiver—a document issued pursuant to the Regulatory Sandbox that allows a participant to temporarily test an innovative insurance product or service on a limited basis without being fully compliant with the insurance laws and regulations of this state.

Innovative Insurance Product or Service—an insurance product or service that includes an innovation.

Insurance Product or Service—an insurance product or insurance service that requires licensure, registration, or other authorization pursuant to the insurance laws and regulations of this state.

Offering—a product or service that includes an innovation.

Participant—a person or business entity that has been granted an innovation waiver.

Regulatory Sandbox—the Insurance Regulatory Sandbox Program created by R.S. 22:1430.1 et seq. which allows a person to temporarily demonstrate an offering under a waiver of one or more state laws or regulations.

Test—to provide an innovative insurance product or service in accordance with an innovation waiver.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20309. Grounds for Innovation Waiver

A. The commissioner may grant an innovation waiver with respect to requirements imposed by any insurance law, regulation, directive or bulletin to enable a person to obtain limited access to the insurance market in this state to test an innovative insurance product or service without obtaining a license or other authorization that might otherwise be required or without being fully compliant with any insurance law, regulation, directive or bulletin. To receive an innovation waiver, an applicant shall demonstrate to the commissioner's satisfaction that:

1. the application of the law, regulation, directive or bulletin would prohibit the introduction of an innovative or more efficient insurance product or service that the applicant intends to test during the period for which the proposed innovation waiver is granted;

2. the public policy goals of the law, regulation, directive or bulletin will be or have been achieved by other means;

3. the innovation waiver will not substantially or unreasonably increase risk to consumers or create unfair competition in the insurance market; and

4. the innovation waiver is in the public interest.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20311. Application Requirements

A. Applicants requesting an innovation waiver shall do so in writing to the commissioner through the Office of Policy, Innovation and Research and include the following:

1. the legal name and trade name, if any, of the natural or juridical person applying for the innovation waiver;

2. an agreement that the applicant will submit to the jurisdiction of this state;

3. an agreement that the applicant will establish a physical location in this state or a virtual facility adequately accessible to the commissioner to monitor testing and examine all required records, documents, and data.

4. the legal name, job title, and responsibilities of the directors and executive officers of the applicant, any persons who are beneficial owners of 10 percent or more of the voting securities of the applicant, and any persons with power to direct the management and policies of the applicant and key personnel;

5. the contact information for the applicant, directors, and executive officers of the applicant, any persons who are beneficial owners of 10 percent or more of the voting securities of the applicant, any persons with power to direct the management and policies of the applicant, and key personnel to include email address, phone number, physical and mailing address, website and social media;

6. disclosure of criminal convictions of the applicant and all key personnel;

7. a description of the business operations of the applicant;

8. a description of the product or service to be offered pursuant to the innovation waiver, including the current state of development of the innovative product or service, how the product or service functions, the manner and terms on which it will be offered, and the features that distinguish it from other products or services available in the state of Louisiana;

9. evidence that the applicant has the necessary personnel, financial resources, technical expertise, access to capital, and a developed plan to test, monitor, and evaluate the innovative insurance product or service;

10. a description of the potential benefits to consumers of the product or service;

11. a description of the potential risks to consumers posed by the product or service or the approval of the proposed waiver and how the applicant proposes to mitigate such risks;

12. an identification of the insurance statutory or regulatory provisions that prohibit the introduction, sale, or offering of the product or service;

13. a nonrefundable filing fee in the amount of two thousand dollars;

14. an explanation of how participating in the Regulatory Sandbox would enable a successful test of the innovative insurance product or service with narratives for proposed beginning operations, ongoing operations, the process regarding waiver termination, including plans to obtain necessary licensure or authorizations after termination of the innovation waiver;

15. an explanation of how the applicant will terminate the innovation waiver and protect consumers if the test fails;

16. a description of the security requirements, as required by the commissioner, to protect consumers and safeguard against the applicant's insolvency or other liabilities that may arise from participation in the Regulatory Sandbox that includes any one or more of the following:

a. a contractual liability insurance policy;

b. a surety bond issued by an authorized surety;

c. securities of the type eligible for deposit by authorized insurers in Louisiana;

d. an account payable to the commissioner in a federally insured financial institution where the deposited funds cannot be withdrawn except by the commissioner's order;

e. a letter of credit issued by a qualified financial institution as defined by R.S.22:512; or

f. another form of security that may be authorized by the commissioner; and

17. any additional information required by the commissioner.

B. The commissioner may not grant an innovation waiver to an applicant or any other person who has been convicted, entered a plea of nolo contendere, or entered a plea of guilty or nolo contendere held in abeyance, for a crime involving theft, fraud, or dishonesty that bears a substantial relationship to the applicant's or participant's ability to safely or competently administer an innovative insurance product or service.

C. The commissioner shall grant or deny a waiver within 90 days after the applicant's innovation waiver application is deemed complete.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20313. Conditions on Innovation Waiver

A. An insurance innovation waiver shall be issued by the commissioner in writing that limits the number of consumers in this state that may purchase or utilize the underlying insurance product or service to no more than 10 thousand consumers and specifies any terms, conditions, and limitations that the commissioner considers appropriate, including:

1. limits on the amount of premium that may be written in relation to the innovative product or service;

2. liability coverage requirements and minimum financial reserve requirements that the applicant must meet during the testing of the innovative insurance product or service; and

3. regular or additional reporting on any aspect of the innovative insurance product or service during the test, including financial results and consumer information.

B. Conditions issued under this section do not restrict a person who holds a license or authorization in another jurisdiction from acting in accordance with that license or authorization in that jurisdiction.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20315. Waiver Not to Restrict Commissioner's

Authority

A. The commissioner's authority to grant an innovation waiver pursuant to the Regulatory Sandbox does not limit or otherwise affect his authority to exercise discretion to waive or enforce any provision of Title 22 or applicable administrative regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20317. Duration and Requests for Extension

A. If approved by the commissioner, an innovation waiver shall be granted for an initial period of up to three years.

B. Prior to the end of the initial waiver period, the commissioner may grant or deny a one-time extension for up to an additional three years.

C. Extension requests shall be made in writing to the commissioner at least thirty days prior to the end of the initial waiver period and shall include the length of the extension period requested and specific reasons why the extension is necessary.

D. The commissioner shall grant or deny an extension request before the end of the initial waiver period.

E. Upon expiration of an innovation waiver, the person who obtained the waiver shall cease all activities that were only permitted as a result of the waiver and comply with all generally applicable laws and regulations.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20319. Expedited Application Process

A. An expedited application process shall be available to an applicant who demonstrates to the commissioner's satisfaction that the product or service proposed to be subject to an innovation waiver is substantially similar to one for which a waiver has previously been granted by the commissioner.

B. Upon receipt of an expedited application request, the commissioner shall determine within 15 days, excluding weekends and holidays, whether the product or service qualifies for an expedited application process.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20321. Reporting and Monitoring

A. On a quarterly basis, the participant shall submit a report to the commissioner with respect to the product or service for which the innovation waiver has been granted containing the following information:

1. the total number of policies written for the product or service;
2. the total amount of premium collected;
3. the total number and dollar amount of claims made;
4. the total number and dollar amount of claims paid;
5. material changes in the business plan, underwriting or claims practices for the product or service; and
6. any other information the commissioner reasonably requires.

B. The commissioner may examine the affairs, transactions, accounts, records, and any other matters deemed necessary of the participant or its independent accountant, including workpapers and assets of the participant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20323. Record Keeping by Participants

A. The commissioner shall establish reporting requirements for each participant, including information about consumer complaints. A participant shall retain records, documents, and data produced in the course of business regarding an innovative insurance product or service subject to a waiver for a period of five years after the waiver has terminated.

B. A participant shall make its records, documents, and data available for inspection by the commissioner immediately upon request.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20325. Disclosure to Consumers

A. A person offering a product or service pursuant to an innovation waiver shall clearly and conspicuously disclose to consumers all of the following:

1. the name and contact information of the person providing the product or service;

2. that the product or service is authorized pursuant to an innovation waiver for a temporary period of time and may be discontinued at the end of the waiver period, the date of which shall be specified;

3. contact information for the department, including how a consumer may file a complaint with the department regarding the product or service; and

4. any additional information required by the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20327. Public Notice

A. At least 30 days prior to granting an innovation waiver, the commissioner shall provide public notice of the draft waiver on the department's website as outlined in R.S. 22:1430.2(I). In making a determination as to whether to grant or deny a waiver, the commissioner may give due consideration to any public comment about such application received via mail or electronic communication within 21 days of public notice being posted on the department's website.

B. If the commissioner determines that a product or service qualifies for an expedited application process, the commissioner shall provide public notice of the draft waiver on the department's website as outlined in R.S. 22:1430.2(I) within five days, excluding weekends and holidays.

C. If an innovation waiver is granted, the commissioner shall provide public notice of its existence by publishing on the department's website all information required by R.S. 22:1430.2(J).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20329. Termination of Waivers

A. If a participant tests an innovative insurance product or service requiring ongoing duties after the termination date of a waiver, the participant shall continue to fulfill those duties or arrange for another person to fulfill those duties after the date the waiver terminates. At the termination of the testing period provided by a waiver, the participant shall immediately stop offering all innovative insurance products or services being tested. The participant shall submit a final report showing test results within sixty days of waiver termination.

B. If an innovative insurance product or service fails before the termination of a testing period as provided in an innovation waiver, the participant shall immediately notify the commissioner and report on actions taken by the participant to ensure consumers have not been harmed as a result of the failure.

C. The commissioner may terminate an innovation waiver for cause and with reasonable notice to the participant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20331. Denial, Revocation and Penalties

A. The commissioner may deny or revoke an innovation waiver if the participant fails to comply with Regulation 134, or if the innovation waiver causes harm to consumers as determined by the commissioner.

B. In addition to any other penalties permitted by law, the commissioner may impose a fine of not more than one thousand dollars for failure to comply with any terms, conditions, or limitations established by the Insurance Regulatory Sandbox Act and Regulation 134.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20333. Confidentiality of Waiver Application and Materials

A. Documents, materials, or other information in the possession of the department that are obtained by or disclosed to the commissioner or any other person in the course of an insurance innovation waiver shall be confidential by law and privileged, shall not be subject to release pursuant to the Public Records Law, R.S. 44:1 et seq., shall not be subject to subpoena, and shall not be subject to discovery or admissible in evidence in any private civil action.

B. The commissioner may use the documents, materials, or other information in the furtherance of any regulatory or legal action brought as a part of the commissioner's duties. The commissioner shall not otherwise make the documents, materials, or other information public.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20335. 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. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

§20337. Effective Date

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

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:1430.1 et seq., and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 51:

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.

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.

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.

Public Comments

Interested persons who wish to make comments may do so by writing to Jennifer Land, Staff Attorney, Louisiana 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., May 12, 2025.

Timothy J. Temple
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 134—Insurance Regulatory Sandbox 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 sets forth the standards and procedures relative to a person's participation in the Insurance Regulatory Sandbox Program. The Insurance Regulatory Sandbox Act was enacted through the passage of Act 229 of the 2024 Regular Session of the Louisiana Legislature. This Act allows the Insurance Commissioner to grant temporary waivers from certain insurance laws and regulations to facilitate the introduction of innovative insurance products and services. LDI reports any workload associated with the proposed rule will be handled with existing staff and resources.

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

The LDI will collect a two-thousand-dollar nonrefundable filing fee from any applicant requesting an innovation waiver. The number of applicants that will apply annually is unknown.

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

The proposed rule sets forth the standards and procedures relative to a person's participation in the Insurance Regulatory Sandbox Program and shall apply to all persons that apply to participate in the Regulatory Sandbox in Louisiana. Any applicants requesting an innovation waiver shall pay a nonrefundable filing fee in the amount of two thousand dollars.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule sets forth the standards and procedures for those persons that may participate in the Insurance Regulatory Sandbox Program with innovative insurance products and services.

Chris Cerniauskas
Chief of Staff
2504#015

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Rule 13—Special Assessment; Creation of Dedicated Fund Account (LAC 37:XI.Chapter 23)

In accordance with the Administrative Procedure Act, and through the authority granted under R.S. 22:1 and 22:11 et seq., the Department of Insurance has amended Rule 13. Rule 13 was originally promulgated in 2000, in accordance with the authority provided through R.S. 40:1428 and 1429. Since Rule 13 was originally published, R.S. 40:1428 and 1429 have been amended by Act 369 of the 2001 Regular Session, Act 147 of the 2018 Regular Session, and now by Act 340 of the 2024 Regular Legislative Session, which amends R.S. 40:1428 and repeals R.S. 40:1429. These amendments reflect the changes in the law as stated by current law under R.S. 40:1428. This Rule is hereby adopted on the day of promulgation.

Title 37 INSURANCE

Part XI. Rules

Chapter 23. Rule 13—Special Assessment; Creation of Dedicated Fund Account

Editor's Note: Refer to Act No. 369 of the 2001 Regular Legislative Session, Act 293 of the 2003 Regular Legislative Session; Act 1013 of the 2010 Regular Legislative Session; and Act 193 of the 2016 Regular Legislative Session.

§2301. Purposes

A. The purpose of this rule is to implement the provisions of R.S. 40:1428 by assessing a fee on insurers to pay the cost of investigation, enforcement, public education and public awareness, and prosecution of insurance fraud in this state as more fully described in R.S. 40:1421-1428 and this rule. This Rule shall be effective upon final publication in the *Louisiana Register*.

B. The fees collected shall be used solely for the purposes of Subpart B of Part III of Chapter 6 of Title 40 of the Louisiana Revised Statutes of 1950, comprised of R.S. 40:1421 through 1428, entitled "Insurance Fraud Investigation Unit".

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2, and R.S. 40:1428.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 26:323 (February 2000), amended LR 45:64 (January 2019), LR 51:

§2303. Fee Assessment

A. - C. ...

D. Prior to making the allocations specified in §2307 of this Rule, the Commissioner of Insurance is authorized to withhold the sum of \$30,000 per year from the fees collected to defray the expense of collection of the fees, enforcement