

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](mailto: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.

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### 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

of this Subpart, and operation of the Department of Insurance and shall withhold \$187,000 to fund insurance fraud detection, investigation, and public awareness.

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:

#### **§2305. Limitations of the Fee Assessment**

A. The fee shall not be assessed on premiums received on life insurance policies, annuities, credit insurance, crop and livestock insurance, federal flood insurance policies, reinsurance contracts, reinsurance agreements, or reinsurance claims transactions. The fee shall not be assessed on 50 percent of the premiums received on health and accident insurance policies.

B. If the fee assessed for the previous year exceeds by five percent of the cumulative costs of the previous year of operating the insurance fraud programs to which the funds are allocated, the fee assessment for the next year shall be reduced by the amount of the excess in proportion to the assessment, however, any entity listed in §2307(A) of this Rule that expands its allocation shall receive at least the same allocation for the next year.

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:

#### **§2307. Allocation of the Fee Assessment**

A. Except as otherwise provided in §2303(D) of this rule, fees collected shall be allocated to the insurance fraud investigation unit within the office of state police, the insurance fraud support unit within the Department of Justice, the section of insurance fraud within the Department of Insurance, and other state agencies in accordance with a written agreement entered into by the superintendent of state police, the attorney general, and the commissioner of insurance.

B. Except as otherwise provided in §2303(D) of this rule, if a written agreement is not entered into pursuant to §2307(A) no later than September thirtieth, the fees collected in the next fiscal year shall be allocated as follows:

1. Seventy-five percent of the fees collected shall be allocated to the Insurance Fraud Investigation Unit within the Office of State Police

2. Fifteen percent of the fees collected shall be allocated to the Department of Justice to be used solely for the Insurance Fraud Support Unit.

3. Ten percent of the fees collected shall be allocated to the Department of Insurance to be used solely for the Section of Insurance Fraud.

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:

#### **§2309. Payment of the Fee Assessment**

A. The fee established in R.S. 40:1428 and in this rule shall be paid to the Commissioner of Insurance as required by R.S. 40:1428.

B. After compliance with the requirements of Article VII, Section 9(B) of the Constitution of Louisiana relative to the Bond Security and Redemption Fund, an amount equal to that deposited as required by R.S. 40:1428 shall be credited to the Insurance Fraud Investigation Fund in the state treasury. The monies shall be irrevocably dedicated and deposited in the Insurance Fraud Investigation Fund and shall be used solely as provided in R.S. 40:1428(A) and only in the amounts appropriated by the legislature. Monies in the fund shall be appropriated, administered, and used solely and exclusively for the purposes of the fraud unit, fraud support unit, insurance fraud section, and as further provided in R.S. 40:1428. All unexpended and unencumbered monies in this fund at the end of the fiscal year shall be refunded to each insurer licensed by the Department of Insurance to conduct business in this state assessed a fee pursuant to R.S. 40:1428 on a pro-rata basis based on each insurer's proportionate share of the total fees collected pursuant to this Section.

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:

#### **§2311. Fines**

A. ...

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:

#### **Family Impact Statement**

1. 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.

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 Rule 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 Rule 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 Rule 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 Rule 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 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

1. 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.

2. 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.

3. Describe the Effect on Employment and Workforce Development. The proposed amended Rule should have no effect on employment and workforce development.

4. Describe the Effect on Taxes and Tax Credits. The proposed amended Rule 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 Rule 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 rule on small businesses as defined in the Regulatory Flexibility Act has been considered. It is estimated that the proposed amended rule 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 rule that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed rule on small businesses.

1. 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.

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 Rule should have no measurable impact upon small businesses.

3. A Statement of the Probable Effect on Impacted Small Businesses. The proposed amended Rule 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 Rule 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 rule.

### 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 Rule 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 Rule will have no effect.

3. 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

Interested persons who wish to make comments may do so by writing to Jacob Carter, 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](mailto: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: Rule 13—Special Assessment; Creation of Dedicated Fund Account

#### 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 provisions of Act 340 of the 2024 Regular Legislative Session, which amends R.S. 40:1428 and repeals R.S. 40:1429. The proposed rule removes funding for the LA Automobile theft and Insurance Fraud Prevention Authority (LATIFPA) and provides funds to be used for insurance fraud detection investigations and public awareness. There is no fiscal impact associated with this proposed rule because funding is being re-directed from one purpose to another.

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

The proposed rule change 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 change will have no effect on directly affected persons, small businesses, or non-governmental groups. The proposed rule continues the fraud initiatives but makes technical changes, including the effective date, removes LATIFPA funding, and states that the purpose of the assessment is to support the investigation, public education, public awareness, and prosecution of insurance fraud. Also, the proposed rule requires funds to be allocated to the Insurance Fraud Investigation Unit within the LA State Police, the Insurance Fraud Support Unit within the Department of Justice, and the Insurance Fraud Section of the Department of Insurance.

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

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

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