



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

September 19, 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
P.O. Box 94062
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
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The Honorable Kirk Talbot
Chairman of the Senate Insurance Committee
P.O. Box 94183
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ELECTRONIC TRANSMISSION
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The Honorable Mike Huval
Chairman of the House Insurance Committee
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RE: Summary Report – Repeal Rule 9 — Prelicensing Education

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 to finalize the repeal of Rule 9, 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 received comments from multiple persons in response to the Notice of Intent and the LDI responded accordingly. These comments and the LDI's responses are summarized below and enclosed for your review.

Comment 1: Quoc Mark Ho asked for clarification as to the intent of the repeal of Rule 9.

Response to Comment 1: The request was routed to the proper division within the LDI to be addressed.

Comment 2: Melissa Burk requested to be unsubscribed from the LDI Industry Portal Notification System.

Response to Comment 2: The request is not relevant to Rule 9. However, the request to be unsubscribed was routed to the proper division within the LDI to be processed accordingly.

Comment 3: Collin Stevens requested to be unsubscribed from the LDI Industry Portal Notification System.

Response to Comment 3: The request is not relevant to Rule 9. However, the request to be unsubscribed was routed to the proper division within the LDI to be processed accordingly.

Comment 4: Ardie Cesario asked for clarification as to the intent of the repeal of Rule 9.

Response to Comment 4: The request was routed to the proper division within the LDI to be addressed.

Comment 5: Sharon Schooley asked for clarification as to the intent of the repeal of Rule 9.

Response to Comment 5: The request was routed to the proper division within the LDI to be addressed.

Comment 6: Marie Saussy asked for clarification as to the intent of the repeal of Rule 9.

Response to Comment 6: The request was routed to the proper division within the LDI to be addressed.

Comment 7: Thomas Williams requested to be unsubscribed from the LDI Industry Portal Notification System.

Response to Comment 7: The request is not relevant to Rule 9. However, the request to be unsubscribed was routed to the proper division within the LDI to be processed accordingly.

Comment 8: Tie Dukes asked for clarification as to the intent of the repeal of Rule 9.

Response to Comment 8: The request was routed to the proper division within the LDI to be addressed.

Comment 9: Ardie Cesario stated that he currently teaches property/casualty prelicensing at Bossier Parish Community College and asked what instructions will be given to his employer regarding the repeal of Rule 9. He also inquired whether anyone can establish their own prelicensing program since there will be no requirement or oversight by the LDI.

Response to Comment 9: The request was routed to the proper division within the LDI to be addressed.

Comment 10: Joel Bell requested to be unsubscribed from the LDI Industry Portal Notification System.

Response to Comment 10: The request is not relevant to Rule 9. However, the request to update the email address was routed to the proper division within the LDI to be processed accordingly.

Comment 11: Alex Fontenot asked for clarification as to the intent of the repeal of Rule 9.

Response to Comment 11: The request was routed to the proper division within the LDI to be addressed.

Comment 12: Blake Price asked for clarification as to the intent of the repeal of Rule 9.

Response to Comment 12: The request was routed to the proper division within the LDI to be addressed.

Subject to legislative oversight, the LDI intends to submit Rule 9 to the Office of the State Register for final publication in the November 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 to Repeal Rule 9 — Prelicensing Education

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT
(Summary)

This rule has no known effect on competition and employment.

Tara A. LeBlanc
Medicaid Executive Director
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Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Insurance
Office of the Commissioner**

**Rule 9—Prelicensing Education
(LAC 37:XI.Chapter 5)**

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 repeal Rule 9—Prelicensing Education. The Department of Insurance is repealing Rule 9 as required by Act 273 of the 2022 Regular Legislative Session.

Title 37

INSURANCE

Part XI. Rules

Chapter 5. Rule Number 9—Prelicensing Education

§501. Authority

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2168 (July 2011), amended LR 47:595 (May 2021), repealed LR 48:

§503. Purpose

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2168 (July 2011), amended LR 47:595 (May 2021), repealed LR 48:

§505. Applicability and Scope

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2169 (July 2011), amended LR 47:595 (May 2021), repealed LR 48:

§507. Effective Date

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2169 (July 2011), amended LR 47:595 (May 2021), repealed LR 48:

§509. Definitions

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2169 (July 2011), amended LR 47:595 (May 2021), repealed LR 48:

§511. Prelicensing Requirements

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2169 (July 2011), amended LR 47:596 (May 2021), repealed LR 48:

§513. Program Certification Requirements

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2170 (July 2011), amended LR 47:596 (May 2021), repealed LR 48:

§515. Measurement of Credit Hours

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2171 (July 2011), amended LR 47:597 (May 2021), repealed LR 48:

§517. Provider Requirements

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2171 (July 2011), amended LR 47:597 (May 2021), repealed LR 48:

§519. Instructor Qualifications

[Formerly §517]

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2171 (July 2011), amended LR 47:598 (May 2021), repealed LR 48:

§521. Training Facilities Requirements

[Formerly §519]

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011), amended LR 47:598 (May 2021), repealed LR 48:

§523. Authority of the Commissioner to Conduct On-Site Review of Prelicensing Programs
[Formerly §521]

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011), amended LR 47:598 (May 2021), repealed LR 48:

§525. Program Completion
[Formerly §523]

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011), amended LR 47:599 (May 2021), repealed LR 48:

§527. Fees

[Formerly §525]

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011), amended LR 47:599 (May 2021), repealed LR 48:

§529. Complaints

[Formerly §527]

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011), amended LR 47:599 (May 2021), repealed LR 48:

§531. Violations

[Formerly §529]

Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011), amended LR 47:599 (May 2021), 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.

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 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 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., September 12, 2022.

James J. Donelon
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Rule 9—Prelicensing Education

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

The proposed rule change will not result in additional costs or savings for state or local governmental units. The rule revisions repeal Rule 9, which was implemented to establish the curricula for programs of instruction required to be completed by applicants seeking an insurance license in the state of Louisiana; to establish criteria for approval of prelicensing program providers; and to establish a mechanism of examination and review of the performance and quality of the instruction. LDI is repealing Rule 9 due to the passage of Act 273 of the 2022 Regular Legislative Session, which repeals prelicensing requirements for insurance producers.

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 change will not result in any costs and/or economic benefits to directly affected persons or non-governmental groups. The rule revision repeals Rule 9 due to the passage of Act 273 of the 2022 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#042

Alan M. Boxberger
Interim Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Rule 10—Continuing Education (LAC 37:XI.Chapter 7)

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 amend Rule 10—Continuing Education. The amendment of Rule 10 implements the provisions of Act 56 and Act 273 of the 2022 Regular Session of the Louisiana Legislature. The purpose of the amendment to Rule 10 is to (1) remove the first renewal exemption for completion of continuing education as prelicensing education is no longer required; (2) include required information that must be submitted to qualify for continuing education credit for participation in professional association activities; (3) clarify what data is required in association with the renewal of a continuing education course; (4) modify terminology relative to accident and health insurance and the commissioner; and (5) provide for technical changes.

Title 37 INSURANCE Part XI. Rules

Chapter 7. Rule Number 10— Continuing Education §703. Purpose

A. The purpose of this Rule is to protect the public, maintain high standards of professional competency in the insurance industry, and maintain and improve the insurance skills and knowledge of producers, adjusters, and insurance consultants licensed by the commissioner. This shall be accomplished by prescribing the following:

1. - 2. ...

3. a procedure for establishing to the commissioner that continuing education requirements have been met.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1547, R.S. 22:1573, R.S. 22:1673, R.S. 22:1678, R.S. 22:1702, R.S. 22:1708, R.S. 22:1808.4 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2173 (July 2011), repromulgated LR 47:600 (May 2021), amended LR 48:

§705. Applicability and Scope

A. This Rule applies to all natural persons who are licensed by the commissioner as producers for the lines of life, accident and health or sickness, property, casualty, bail bonds, personal lines or title and all adjusters and insurance consultants licensed by the commissioner. This Rule shall