



LOUISIANA DEPARTMENT OF INSURANCE  
JAMES J. DONELON  
COMMISSIONER

August 20, 2021

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

ELECTRONIC TRANSMISSION  
[apa.senatepresident@legis.la.gov](mailto:apa.senatepresident@legis.la.gov)

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

ELECTRONIC TRANSMISSION  
[apa.housespeaker@legis.la.gov](mailto:apa.housespeaker@legis.la.gov)

The Honorable Kirk Talbot  
Chairman, Senate Insurance Committee  
P.O. Box 94183  
Baton Rouge, LA 70804

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The Honorable Edmond Jordan  
Acting Chairman, House Insurance Committee  
P.O. Box 94062  
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RE: Summary Report – Rule 7—Legal Expense Insurers

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

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 amendment of Rule 7, which was published as a Notice of Intent in the July, 2021 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 would like to finalize the amendment of Rule 7 and submit the regulation to the Office of the State Register for publication in the October, 2021 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).

If you have any questions or need any additional information, please contact me at (225) 219-7851, or electronically at [Lisa.Henson@ldi.la.gov](mailto:Lisa.Henson@ldi.la.gov).

Sincerely,



Lisa L. Henson  
Staff Attorney  
Louisiana Department of Insurance

Enclosure: Notice of Intent to Amend Rule 7—Legal Expense Insurers

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.

**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.

**Provider Impact Statement**

1. Describe the Effect on the Staffing Level Requirements or Qualifications Required to Provide the Same Level of Service. The proposed amended regulation will have no effect.

2. The Total Direct and Indirect Effect on the Cost to the Provider to Provide the Same Level of Service. The proposed amended regulation will have no effect.

3. The Overall Effect on the Ability of the Provider to Provide the Same Level of Service. The proposed amended regulation will have no effect.

**Public Comments**

Interested persons who wish to make comments may do so by writing to Lisa Henson, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, or by faxing comments to (225) 342-1632. Comments will be accepted through the close of business, 4:30 p.m., August 19, 2021.

James J. Donelon  
Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

**RULE TITLE: Regulation 118—Requirements in the  
Event of a Declared Emergency**

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

The proposed rule changes will not result in additional costs or savings for state or local governmental units. The rule is being promulgated to comply with Acts 2021, No. 223, §1 of the Regular Session of the Louisiana Legislature that enacted R.S. 22:11(C), which requires the commissioner to promulgate rules and regulations to govern the business of insurance in the event of a declaration of emergency.

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

The proposed rule changes will not affect revenue collections of state or local governmental units.

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

The proposed rule change will not result in any costs and/or economic benefits to directly affected persons or non-governmental groups. The rule is being promulgated to comply with Acts 2021, No. 223, §1 of the Regular Session of the Louisiana Legislature that enacted R.S. 22:11(C), which requires the commissioner to promulgate rules and regulations to govern the business of insurance in the event of a declaration of emergency.

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

The proposed rule changes will not affect competition or employment.

Denise Gardner  
Chief of Staff  
2107#047

Alan M. Boxberger  
Staff Director  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Insurance  
Office of the Commissioner**

**Rule 7—Legal Expense Insurers  
(LAC 37:XI.1909 and 1919)**

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 7—Legal Expense Insurers by changing the line of insurance applicable to prepaid legal services.

The Louisiana Department of Insurance (“LDI”) is amending Rule 7 to address the proper line of insurance into which prepaid legal services should be placed. When originally introduced as a program, prepaid legal services was placed under the line of “fidelity and surety.” Thereafter, the LDI split “fidelity and surety” into two separate lines, to wit: “fidelity” and “surety.” The LDI subsequently created a new line of insurance, to wit: “miscellaneous.” Upon reviewing the nature of the prepaid legal services program, the LDI has determined that such program properly falls under the definition set forth for “miscellaneous” in La. R.S. 22:47(14). As such, the purpose of the amendment to Rule 7 is to change the line of insurance applicable to prepaid legal services from “fidelity and surety” to “miscellaneous.”

**Title 37**

**INSURANCE**

**Part XI. Rules**

**Chapter 19. Rule Number 7—Legal Expense Insurers  
§1909. Qualifications as Insurer Required**

A. Any person who accepts a pre-payment from or for the benefit of any other person or group of persons as consideration for providing to such person or group of persons the opportunity to receive reimbursement or payment for legal services at such time in the future as such services may be appropriate or necessary must meet the

requirements of the Louisiana Insurance Code by becoming qualified as an insurer which is authorized to write miscellaneous coverage. (See "Exemptions" under §1907 of this rule.) Persons offering these services shall qualify as a mutual, stock, reciprocal or Lloyds' plan insurer as defined in Title 22, Louisiana Revised Statutes of 1950, as amended.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner LR 8:235 (May 1982), amended LR 47:

#### **§1919. Effective Date**

A. The effective date of Rule 7 as amended shall be January 1, 2022.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:2.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 47:

#### **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.

#### **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.

#### **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.

#### **Provider Impact Statement**

1. Describe the Effect on the Staffing Level Requirements or Qualifications Required to Provide the Same Level of Service. The proposed amended regulation will have no effect.

2. The Total Direct and Indirect Effect on the Cost to the Provider to Provide the Same Level of Service. The proposed amended regulation will have no effect.

3. The Overall Effect on the Ability of the Provider to Provide the Same Level of Service. The proposed amended regulation will have no effect.

#### **Public Comments**

Interested persons who wish to make comments may do so by writing to Lisa Henson, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, or by faxing comments to (225) 342-1632. Comments will be accepted through the close of business, 4:30 p.m., August 19, 2021.

James J. Donelon  
Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

**RULE TITLE: Rule 7—Legal Expense Insurers**

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

The proposed rule changes will not result in additional costs or savings for state or local governmental units. The proposed rule changes the line of insurance applicable to prepaid legal services from “fidelity and surety” to “miscellaneous.”

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

The proposed rule changes will not affect revenue collections for 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 changes may result in indeterminable additional costs for insurers to the extent they must amend their certificate of authority to comply with the new regulations.

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

The proposed rule changes will not affect competition or employment.

S. Denise Gardner  
Chief of Staff  
2107#024

Alan M. Boxberger  
Staff Director  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Natural Resources  
Office of Conservation**

**Fire Hazards (LAC 43:XIX.115)**

The Department of Natural Resources, Office of Conservation proposes to amend LAC 43:XIX, Subpart 1 in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana. The proposed rule changes will increase safety and prevent future accidents involving oil and gas storage tanks on drilling sites.

**Title 43**

**NATURAL RESOURCES**

**Part XIX. Office of Conservation - General Operations**

**Subpart 1. Statewide Order No. 29-B**

**Chapter 1. General Provisions**

**§115. Fire Hazards**

**A.1. - B. ...**

1. Each permanent oil, tank or battery of tanks that are located within the corporate limits of any city, town or village, or where such tanks are closer than 500 feet to any highway or inhabited dwelling or closer than 1000 feet to any school or church, must:

a. be surrounded by a dike (or firewall) or retaining wall of at least the capacity of such tank or battery of tanks, with the exception of such areas where such dikes (or firewalls) or retaining walls would be impossible such as in water areas. At the discretion of the Commissioner of Conservation, firewalls of 100 percent capacity can be required where other conditions or circumstances warrant their construction;

b. be enclosed by a fence no less than four feet high and at a minimum, composed of four strands of wire and a lockable gate which shall be locked when the site is unmanned and the fence and gate shall be properly maintained at all times. Conservation shall be provided a means to unlock the gate;

c. all hatches to the tank, which do not serve as a pressure relief device, must be sealed when the site is unmanned;

d. a warning sign must be prominently displayed on or immediately adjacent to the tank or ladder providing access to the tank and the gate providing entry to the site, denoting danger, flammable contents;

e. the above safety regulations must be implemented within three months of their promulgation.

C.2. - F. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 30:80 et seq.

HISTORICAL NOTE: Promulgated by Department of Natural Resources, Office of Conservation, (August 1943), amended (March 1955), (December 1963), amended by the Department of Natural Resources, Office of Conservation, LR 47:

**Family Impact Statement**

This Rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

**Poverty Impact Statement**

This Rule has no known impact on poverty as described in R.S. 49:973.

**Small Business Analysis**

This Rule has no known impact on small businesses as described in R.S. 49:965.6.

**Provider Impact Statement**

This Rule has no known impact on providers as described in HCR 170 of 2014.

**Public Comments**

All interested parties will be afforded the opportunity to submit data, views, or arguments, in writing. Written comments will be accepted by hand delivery or USPS only, until 4 p.m., April 10, 2019, at Office of Conservation, Executive Division, P.O. Box 94275, Baton Rouge, LA 70804-9275; or Office of Conservation, Executive Division, 617 North Third Street, Room 931, Baton Rouge, LA 70802. Reference Docket No. R A 2021-01. All inquiries should be directed to John Adams at the above addresses or by phone to (225) 342-7889.

Richard P. Ieyoub  
Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

**RULE TITLE: Fire Hazards**

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

There are no anticipated implementation costs to the Department of Natural Resources (DNR) or local governmental units as a result of the proposed rule change. The proposed amendment will increase safety and prevent future accidents involving oil and gas storage tanks on drilling sites by requiring certain safety features at project sites.

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