

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Homeowners and Fire/Commercial
Insurance Policy Disclosure Forms
(LAC 37: Part XIII Regulation 107—Chapter 153)

Under the authority of the Louisiana Insurance Code, R.S. 22:1 et seq., and in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., R.S. 22:1319, and R.S. 22:1332, notice is hereby given that the Department of Insurance proposes to adopt Regulation 107. The purpose of this regulation is to promulgate the Homeowner and Fire/Commercial Insurance Policy Disclosure forms developed by the Commissioner of Insurance for use by all property and casualty insurers issuing, delivering or renewing homeowner and fire/commercial insurance policies that provide coverage for damages to property in Louisiana.

The full text of this Notice of Intent can be found in the Emergency Rule section of this *Louisiana Register*.

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 may submit written comments on the proposed promulgation of Regulation 107. Such comments must be received no later than December 20, 2016 by close of business, 4:30 p.m., and addressed to Lance C. Joseph, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214 or faxed to (225) 342-1632.

James J. Donelon
Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Homeowners and Fire/Commercial
Insurance Policy Disclosure Forms**

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

The proposed rule (Regulation 107) will not result in costs or savings to the Department of Insurance or any other state or local government units. The proposed rule promulgates provisions related to the Homeowners and Fire/Commercial Insurance Policy Disclosure Forms developed by the Commissioner of Insurance. These forms will be used by all property and casualty insurers issuing, delivering, or renewing homeowners and fire/commercial insurance policies that provide coverage for damages to property in Louisiana. Appendix C of Regulation 107 includes the implementation of ACT 274 of the 2016 Louisiana Legislative Regular Session, which includes a deductible disclosure for Homeowners Insurance policy coverage.

The proposed rule implements procedures where any claim that does not exceed the policy deductible and that does not result in a claim payment to the policyholder may be used to increase the cost of the policyholder's premium in the future or as part of the basis for cancellation of their policy.

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

The proposed rule (Regulation 107) will have no impact on state or local governmental revenues.

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

The proposed rule (Regulation 107) may have a cost to policyholders. The proposed regulation promulgates Homeowners and Fire/Commercial Insurance Policy Disclosure Forms. In the event claims do not exceed the policy deductible, the proposed Regulation 107 may increase consumer premiums or may result in policy cancellation.

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

The proposed rule (Regulation 107) will have no impact upon competition and employment in the state.

Denise Brignac
Deputy Commissioner
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Greg V. Albrecht
Chief Economist
Legislative Fiscal Office