

118 of the Bienville Building, which is located at 628 North Fourth Street, Baton Rouge, LA. To confirm whether or not a public hearing will be held, interested persons should first call Allen Enger at (225) 342-1342 after Monday, November 11, 2024. If a public hearing is to be held, all interested persons are invited to attend and present data, views, comments, or arguments, orally or in writing. In the event of a hearing, parking is available to the public in the Galvez Parking Garage which is located between North Sixth and North Fifth/North and Main Streets (cater-corner from the Bienville Building). Validated parking for the Galvez Garage may be available to public hearing attendees when the parking ticket is presented to LDH staff at the hearing.

Dr. Ralph Abraham
Surgeon General
and
Michael Harrington, MBA, MA
Secretary

**FISCAL AND ECONOMIC IMPACT STATEMENT
FOR ADMINISTRATIVE RULES
RULE TITLE: Regulation of Medical Marijuana**

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

The proposed rule change is anticipated to increase expenditures for the Office of Public Health (OPH) by approximately \$12,428 in FY 24-25 for the publication of the proposed rule as well as increased costs for travel (\$7,200 for a car rental, \$1,500 for overnight lodging, \$300 for fuel costs, \$3,428 in publication costs). It is not anticipated that any other state or local governmental units will incur costs or savings as a result of this rule change. Ongoing costs for subsequent fiscal years will be approximately \$9,180 for travel-related expenses involved in conducting routine inspections of the 30 facilities added to the Cannabis Program's inventory.

In accordance with Acts 150 and 693 of the 2024 RLS, the proposed rule creates a regulatory framework for medical marijuana products within LDH. Specifically, this rule adds a new Subpart to Part XXIX of Title 51 of the LAC, which consists of five chapters detailing the various provisions of the regulation of medical marijuana. Chapter 1 explains definitions that are unique to this regulation. Chapter 3 specifies the enabling legislation and notes that the products regulated herein are subject to federal law. Chapter 5 describes the permitting process and operational requirements for dispensaries.

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

There will be no effect on revenue collections of state or local governmental units as a result of this proposed rule. These laws do not allow the department to collect any fees to fund this program. The program could end on December 31, 2029, if not renewed, but LDH has no authority to collect revenue.

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

It is anticipated that this proposed rule will have no effect on costs or benefits of this program to stakeholders.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The adoption of this proposed rule should not engender or have any effect on competition among marijuana dispensaries.

Tonya Joiner
Assistant Secretary
2410#075

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Insurance
Office of the Commissioner**

Regulation 112—Adoption of NAIC Handbooks,
Guidelines, Forms, and Instructions
(LAC 37:XIII.Chapter 161)

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 Regulation 112.

The purpose of the amendment to Regulation 112 is to identify and to incorporate by reference the current edition of handbooks, guidelines, forms, and instructions adopted by the National Association of Insurance Commissioners (NAIC) and referenced in the Louisiana Insurance Code.

Title 37

INSURANCE

Part XIII.Regulations

**Chapter 161. Regulation Number 112—Adoption of
NAIC Handbooks, Guidelines, Forms and
Instructions**

**§16101. NAIC Handbooks, Guidelines, Forms and
Instructions Incorporated by Reference**

A. ...

B. The following NAIC handbooks, guidelines, forms, and instructions are hereby adopted and incorporated by reference:

1. The Financial Condition Examiner's Handbook, 2023 edition.
2. The Annual and Quarterly Statement Instructions, Property and Casualty, 2023 edition.
3. The Annual and Quarterly Statement Instructions, Life, Accident, and Health, 2023 edition.
4. The Annual and Quarterly Statement Instructions, Health, 2023 edition.
5. The Annual and Quarterly Statement Instructions, Title, 2023 edition.
6. The Annual and Quarterly Statement Instructions, Fraternal, 2023 edition.
7. The Annual and Quarterly Statement Blanks, Property and Casualty, 2023 edition.
8. The Annual and Quarterly Statement Blanks, Life, Accident, and Health, 2023 edition.
9. The Annual and Quarterly Statement Blanks, Health, 2023 edition.
10. The Annual and Quarterly Statement Blanks, Title, 2023 edition.
11. The Annual and Quarterly Statement Blanks, Fraternal, 2023 edition.
12. The Accounting Practices and Procedures Manual, 2023 edition.
13. The Financial Analysis Handbook, 2023 edition.
14. The Own Risk and Solvency Assessment Guidance Manual, 2023 edition.
15. The Purposes and Procedures Manual of the NAIC Investment Analysis Office, 2023 edition.
16. The Risk-Based Capital Forecasting and Instructions, 2023 edition.
17. The Market Regulation Handbook, 2023 edition.

C. - D.3 ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 258, 619(B), 640(B), 675, 661(A), 691.11, 691.54, and 1804.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 45:1208 (September 2019), amended LR 46:993 (July 2020), amended LR 47:1328 (September 2021), LR 48:2299 (September 2022), amended LR 49:1410 (August 2023), 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.

5. 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., November 10, 2024.

Timothy J. Temple
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 112—Adoption of NAIC Handbooks, Guidelines, Forms, and Instructions

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 incorporate and reference the current editions of handbooks, guidelines, forms, and instructions adopted by the National Association of Insurance Commissioners (NAIC) and referenced in the Louisiana Insurance Code. The current editions of these publications serve as the most current professional guidance for entities regulated by the LA Dept. of Insurance (LDI).

II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR The proposed rule changes will have no impact on state or local governmental revenues.

LOCAL GOVERNMENTAL UNITS (Summary)

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

The proposed rule changes will benefit persons and entities seeking to identify which handbooks or guidelines are currently being incorporated by reference that serve as professional guidance for entities under the purview of LDI. These handbooks and guidelines will be available for public viewing in hardcopy form at the offices of the LDI and Office of State Register and online at the NAIC website.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

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

Chris Cerniauskas
Chief of Staff
2410#008

Alan M. Boxberger
Legislative Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 132—Louisiana Churches and Nonprofit
Religious Organizations Self-Insured Fund
(LAC 37:XIII.Chapter 201)

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 132—Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund.

The Department of Insurance is promulgating Regulation 132 to comply with Act No. 259 of the 2023 Regulation Session of the Louisiana Legislature that enacted R.S. 22:472.1 through 472.20 authorizing the creation of the Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund and giving the Department of Insurance authority over such fund. Act 259 directed the Louisiana State Law Institute to redesignate R.S. 22:472.1 through 472.20 as R.S. 12:1851 through 1870.

Title 37

INSURANCE

Part XIII. Regulations

Chapter 201. Regulation Number 132—Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund

§20101. Definitions

A. For the purposes of Regulation 125, the following terms are defined as follows:

Commissioner—the Commissioner of Insurance of the state of Louisiana.

Department—the Department of Insurance of the state of Louisiana.

Fund—the self-insurance fund established pursuant to R.S. 12:1851 et seq. to provide property insurance for churches and nonprofit religious organizations and shall be known as the Louisiana Churches and Nonprofit Religious Organizations Self-Insured Fund.

Insolvency—the condition existing when the fund's liabilities are greater than the fund's assets as determined in accordance with generally accepted accounting principles as delineated in the fund's financial statement audited by an independent certified public accountant and calculated before a member's distribution is payable or before a dividend is declared.

Members Distribution Payable/Surplus—assets of the fund in excess of loss reserves, actual and contingent liabilities and loss development reserves in all fund years.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 12:1851 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:

§20103. Excess Insurance or Reinsurance

A. The fund shall maintain excess insurance or reinsurance in the amount approved by the commissioner, based on an actuarially sound catastrophe model that limits the fund's exposure on any one loss occurrence to 20 percent of its members distribution payable/surplus or an amount authorized by the commissioner.

1. The fund shall submit a feasibility study prepared by a qualified actuary which analyzes the impact the specific retention on the fund.

2. No fund shall secure a retention which in the commissioner's opinion is not actuarially sound.

3. The commissioner shall deny the use of a retention if he finds that the higher retention will have a significant adverse effect on the financial condition of the fund.

B. The excess insurance or reinsurance coverage shall provide for one or more reinstatements.

C. All excess insurance or reinsurance agreements shall be approved by the department prior to execution.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 12:1851 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:

§20105. Financial and Actuarial Reports

A. At inception and thereafter, the fund shall either:

1. Provide evidence satisfactory to the commissioner that it possesses surplus in excess of \$3,000,000, or

2. Submit a current audited financial statement, audited by an independent certified public accountant, of at least two members showing, at the inception of the fund, a combined net worth of a minimum of \$1,000,000, current financial statements of all other members, a combined ratio of current assets to current liabilities of more than one to one, a combined working capital of an amount establishing financial strength and liquidity of the members to pay normal compensation claims promptly, and showing evidence of the financial ability of the group to meet its obligations. An audited or a financial statement properly certified by an officer, owner, or partner for all members joining the fund after the inception date shall be submitted to the commissioner until such time as an audited financial statement is available for the fund as a whole. Thereafter, the filing of member financial statements with the department is no longer required. In no event shall the cumulative net worth or ratio of the current assets to current liabilities of all members be less than that required in this Subsection.