



LOUISIANA DEPARTMENT OF INSURANCE
TIMOTHY J. TEMPLE
COMMISSIONER

July 1, 2024

The Honorable Cameron Henry
President, Louisiana State Senate
P.O. Box 94183
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
apa.senatepresident@legis.la.gov

The Honorable Phillip R. DeVillier
Speaker, Louisiana House of Representatives
P.O. Box 94062
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
apa.housespeaker@legis.la.gov

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

ELECTRONIC TRANSMISSION
apa.s-ins@legis.la.gov

The Honorable Michael "Gabe" Firment
Chairman of the House Insurance Committee
P.O. Box 94062
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION
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RE: Summary Report – Regulation 18—Non-Profit Funeral
Service Associations – Reinstatement of Lapsed Policies

Dear President Henry, Speaker DeVillier, Senator Talbot, and Representative
Firment:

The Louisiana Department of Insurance (LDI) hereby submits the following summary report required by La. R.S. 49:966(D)(1)(b), and announces its intention to finalize Regulation 18, which was published as a Notice of Intent in the May 2024 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 intends to submit Regulation 18 to the Office of the State Register for final publication in the August 2024 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. 49:966(D)(1)(c).

Enclosure: Notice of Intent to Promulgate Regulation 18 — Non-Profit Funeral Service Associations, Reinstatement of Lapsed Polices

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

It is anticipated that implementation of this proposed rule will have a minimal increase in revenue to the state, in which the Health Standards Section (HSS) within the Louisiana Department of Health (LDH) will collect \$200 from each initial application fee for the Facility Need Review (FNR) process of behavioral health providers offering opioid treatment services. New opioid treatment program (OTP) providers also have to pay a \$600 licensing fee upon selection by the FNR review committee. The amount of increased revenue is indeterminable; however, if there was one (1) provider applying to perform OTP services, HSS would collect at least \$200 SGR from application fees. To the extent the same provider is new to the system, HSS would collect an additional \$600 in licensing fees.

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

It is anticipated that implementation of this proposed rule will result in minimal costs to potential providers of OTPs participating in the request for applications (RFA), which requires a \$200 nonrefundable application fee. New OTP providers that have never been licensed before will have to pay an additional \$600 licensing fee upon approval of the FNR committee.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed rule has no known effect on competition and employment.

Karen Stubbs Church
Assistant Secretary
2405#051

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

**Department of Insurance
Office of the Commissioner**

**Regulation 18—Non-Profit Funeral Service
Associations, Reinstatement of Lapsed Policies
(LAC 37:XIII.Chapter 65)**

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 Regulation 18—Non-Profit Funeral Service Associations, Reinstatement of Lapsed Policies. The Department of Insurance is repealing Regulation 18 because R.S. 22:196 now provides current guidance regarding lapsed policies.

**Title 37
INSURANCE**

Part XIII. Regulations

**Chapter 65. Regulation 18—Non-Profit Funeral
Service Associations, Reinstatement of
Lapsed Policies**

**§6501. Policy Directive Number Five to Non-Profit
Funeral Service Associations**

Repealed.

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

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, April 28, 1960, repealed LR 50:

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.

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 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., June 10, 2024.

Timothy J. Temple
Commissioner

FISCAL AND ECONOMIC IMPACT STATEMENT FOR ADMINISTRATIVE RULES

RULE TITLE: Regulation 18—Non-Profit Funeral Service Associations, Reinstatement of Lapsed Policies

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

The proposed amended rule is not anticipated to result in implementation costs or savings to the state or local governmental units. The proposed rule is being repealed because La. R.S. 22:196 provides current guidance regarding lapsed policies.

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

The proposed amended 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 repeal of the rule will have no costs and/or economic benefits to directly affected persons, small businesses, or non-governmental groups.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

The proposed repeal to the rule does not affect competition and employment in the state.

Lance Herrin
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2405#022

Patrice Thomas
Deputy Fiscal Officer
Legislative Fiscal Office

NOTICE OF INTENT

Department of Insurance Office of the Commissioner

Regulation 85—Valuation of Life Insurance Policies (LAC 37:XIII.Chapter 109)

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 85.

The purpose of the amendment to Regulation 85 is to incorporate changes to the general calculation requirements for basic reserves and premium deficiency reserves that were made to NAIC Model Regulation #830.

Title 37

INSURANCE

Part XIII. Regulations

Chapter 109. Regulation Number 85—Valuation of Life Insurance Policies

§10909. General Calculation Requirements for Basic Reserves and Premium Deficiency Reserves

A. - B.3.a. ...

b. X is such that, when using the valuation interest rate used for basic reserves, Clause i is greater than or equal to Clause ii:

i. the actuarial present value of future death benefits, calculated using the mortality rates resulting from the application of X;

ii. the actuarial present value of future death benefits calculated using anticipated mortality experience without recognition of mortality improvement beyond the valuation date;

c. X is such that the mortality rates resulting from the application of X are at least as great as the anticipated mortality experience, without recognition of mortality improvement beyond the valuation date, in each of the first five years after the valuation date;

d. the appointed actuary shall increase X at any valuation date where it is necessary to continue to meet all the requirements of Paragraph B.3;

e. the appointed actuary may decrease X at any valuation date as long as X continues to meet all the requirements of Paragraph B.3; and

f. the appointed actuary shall specifically take into account the adverse effect on expected mortality and lapsation of any anticipated or actual increase in gross premiums;

g. if X is less than 100 percent at any duration for any policy, the following requirements shall be met:

i. the appointed actuary shall annually prepare an actuarial opinion and memorandum for the company in