

commissioner determines that an extension of time is warranted.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2191, 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 48:1105 (April 2022).

### §18113. Notice of Regulatory Action

A. If the licensee fails to demonstrate compliance with all lawful requirements of Title 22 for retention of the license to the satisfaction of the commissioner within 20 calendar days of the mailing or personal service of the notice of wrongful conduct, or within any extension of time approved by the commissioner, a notice of regulatory action may be issued. The notice shall be in writing and issued via mail or by personal delivery to the last known address or principal place of business identified in the department's database for the licensee. The revocation, suspension, annulment, or withdrawal of a license shall take effect 10 calendar days from the date of issuance of the notice of regulatory action, unless otherwise provided in Title 22. The licensee shall have the right to timely demand an administrative hearing to contest the notice of regulatory action in accordance with R.S. 22:2191, et seq.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2191, 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 48:1105 (April 2022).

### §18115. Notice of Summary Suspension or Order

A. Notwithstanding any other provision of this regulation, if the commissioner finds that the public health, safety, or welfare of Louisiana citizens imperatively requires emergency action, the commissioner may issue a notice of summary suspension or order to the licensee, setting forth the basis for such a finding. The notice of summary suspension or order shall be in writing, mailed or delivered personally to the licensee at the last known address or principal place of business identified in the department's database for the licensee, and it may be issued while agency proceedings for license revocation or other adverse actions authorized by R.S. 49:961(C) are pending, unless otherwise provided in Title 22. The licensee shall have the right to timely demand an administrative hearing to contest the notice of summary suspension or order in accordance with R.S. 22:2191, et seq.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2191, 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 48:1106 (April 2022).

### §18117. Stay of Action

A. A demand for an administrative hearing shall not operate as an automatic stay of any order issued by the commissioner or any action taken or proposed to be taken by the commissioner unless such relief is granted by the Division of Administrative Law pursuant to R.S. 22:2204

and the Administrative Procedure Act, R.S. 49:950, or as otherwise provided in Title 22. All demands for hearing and requests for a stay of action shall be filed in accordance with Chapter 12 of the Louisiana Insurance Code, R.S. 22:2191, et seq. and held in accordance with the Administrative Procedure Act, R.S. 49:950, et seq.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2204, and the Administrative Procedure Act, R.S. 49:950, et seq.

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:1106 (April 2022).

### §18119. Effective Date

A. This regulation shall become effective upon final publication in the *Louisiana Register*.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:2, 22:11, 22:18, 22:2191, 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 48:1106 (April 2022).

## Chapter 182. Regulation Number 126—Louisiana Fortify Homes Program

### §18201. Purpose

A. The purpose of Regulation 126 is to set forth rules and requirements governing the administration of the Louisiana Fortify Homes Program (LFHP) and eligibility criteria for LFHP grants in accordance with Act No. 554 of the 2022 Regular Session.

**AUTHORITY NOTE:** Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1(A).

**HISTORICAL NOTE:** Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:698 (April 2023).

### §18202. Definitions

A. As used in Regulation 126, the following terms shall have the meanings herein specified.

1. *Evaluator*—an independent third party certified by the Insurance Institute for Business and Home Safety (IBHS) as a fortified evaluator for hurricane and high wind and hail who can verify that a home meets the fortified roofing construction standard. Homeowners can find a list of certified evaluators at [www.ildi.la.gov/fortifyhomes](http://www.ildi.la.gov/fortifyhomes).

2. *Insurance Institute for Business and Home Safety (IBHS)*—a non-profit research and communications organization of the property and casualty insurance industry that defines the FORTIFIED roofing construction standard for homes, information for which can be found at [www.fortifiedhome.org](http://www.fortifiedhome.org).

3. *Louisiana Fortify Homes Program (LFHP)*—a program, enacted by Act No. 554 of the 2022 Regular Session, to be administered by the Louisiana Department of Insurance through its Office of Policy, Innovation and Research, to make financial grants to retrofit roofs of insurable property, as defined in R.S. 22:1483(C)(9), with a homestead exemption, to resist loss due to hurricane,

tornado, or other catastrophic windstorm events and to meet or exceed the fortified roof standard of the Insurance Institute for Business and Home Safety, information for which can be found at [www.ildi.la.gov/fortifyhomes](http://www.ildi.la.gov/fortifyhomes).

4. *National Flood Insurance Program (NFIP)*—a program enacted by the National Flood Insurance Act of 1968 (P.L. 90-448), which the Federal Emergency Management Agency (FEMA) administers, through its Federal Insurance and Mitigation Administration (FIMA) division, to provide an insurance alternative to disaster assistance to meet the escalating costs of repair damage to buildings and their contents caused by floods. The NFIP designates flood zones and flood maps, which illustrate a community's flood risk, information for which can be found at [www.floodsmart.gov](http://www.floodsmart.gov).

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1(A).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:699 (April 2023).

### **§18203. Contractor Eligibility Requirements and Conflicts of Interest**

A. Contractor Eligibility Requirements. To be eligible to work as a Louisiana Fortify Homes Program contractor (LFHP-approved contractor), the contractor must meet all of the following program requirements:

1. submit and maintain a current copy of all certificates, licenses and proof of insurance coverages with the LFHP;

2. hold a valid residential license or home improvement registration issued by the Louisiana State Licensing Board for Contractors (LSLBC) and must be in good standing with the LSLBC;

3. hold any other valid state or jurisdictional business licenses or work permits required by law in Louisiana;

4. maintain a general liability policy with \$1,000,000 in liability coverage;

5. maintain a workers' compensation policy in compliance with Louisiana law;

6. provide a certificate of successful completion of the fortified roof for high wind and hail and hurricane training issued by the Insurance Institute for Business and Home Safety (IBHS) or its successor. The training may be offered as separate courses, and the contractor is responsible for paying all fees associated with the training;

7. be in compliance with all regulatory and tax laws regulating businesses in the state of Louisiana;

8. maintain internet access and have a valid, active email address on file with the LFHP for communication with the LFHP;

9. avoid conflicts of interest in any work performed on projects funded by LFHP grants;

10. agree to follow the LFHP procedures and rules as established by the Commissioner of the Department of Insurance.

#### **B. Contractor Conflicts of Interest**

1. LFHP-approved contractors may not possess a financial interest in any project for which they perform work toward a fortified designation other than for payment on behalf of the homeowner by the LFHP.

2. LFHP-approved contractors cannot be the evaluator for a fortified designation on any project funded by LFHP grants.

3. The LFHP-approved contractor is responsible for reporting to the LFHP any potential conflicts of interest before work commences on any job funded by LFHP grants.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1(A).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:699 (April 2023).

### **§18204. Evaluator Eligibility Requirements and Conflicts of Interest**

A. Evaluator Eligibility Requirements. To be eligible to work on the Louisiana Fortify Homes Program (LFHP), an evaluator must meet all of the following program requirements:

1. submit and maintain a copy of all current certificates and licenses with the LFHP;

2. be in good standing with the Insurance Institute for Business and Home Safety (IBHS) and maintain an active certification as a fortified home evaluator for hurricane and high wind and hail, issued by the IBHS or its successor;

3. possess all necessary business licenses to perform the work required;

4. be in compliance with all regulatory and tax laws regulating businesses in the state of Louisiana;

5. avoid conflicts of interest in any work performed on projects funded by LFHP grants.

#### **B. Evaluator Conflicts of Interest**

1. Evaluators may not possess a financial interest in any project for which they inspect for fortified designation purposes in connection with the LFHP.

2. Evaluators cannot be a contractor or supplier of any materials, products or systems installed in any home they inspect for fortified designation purposes for the LFHP.

3. Evaluators cannot be a sales agent for any home being designated for the LFHP program.

4. Evaluators have a duty to inform the LFHP of any potential conflicts of interest before commencing inspections on any job funded by LFHP grants.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1(A).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:699 (April 2023).

### §18205. Louisiana Fortify Homes Program Grants

A. Grant Eligibility. To be eligible for a Louisiana Fortify Homes Program (LFHP) grant, an applicant must meet the following requirements.

1. The home must be an owner-occupied, single-family, primary residence with a homestead exemption and cannot be a condominium or mobile home.
2. The home must be in good repair unless damaged by a hurricane, non-hurricane wind, or hail.
3. The homeowner must fortify the home's roof to meet the Insurance Institute for Business and Home Safety (IBHS) fortified roof standard.
4. The homeowner must provide the LFHP proof of a wind insurance policy on the home. Additionally, if the home is in a designated National Flood Insurance Program (NFIP) flood zone, the homeowner must provide the LFHP proof of a flood insurance policy on the home.
5. The homeowner must obtain and pay for all permits required by law or ordinance for the construction.
6. The homeowner must arrange and pay for inspections required by law or ordinance and the terms of the grant, which shall include inspection pursuant to R.S. 22:1483(C)(3).
7. The work must comply with applicable building codes.
8. The LFHP project must be completed within three months of the date of the grant award notification, which will be delivered to the applicant through electronic means. Failure to timely complete the LFHP project may result in a forfeiture of the grant.

#### B. Grant Application Process

1. In order to apply, a homeowner must complete and submit an online grant application to the LFHP. The online grant application portal will be accessible via [www.lds.la.gov/fortifyhomes](http://www.lds.la.gov/fortifyhomes).
2. The homeowner will be responsible for paying for a certified evaluator of the homeowner's choice to provide an IBHS home review evaluation on the home seeking to be fortified. A list of certified evaluators can be found at [www.lds.la.gov/fortifyhomes](http://www.lds.la.gov/fortifyhomes). The LFHP may remove an evaluator from the list of certified evaluators at any time upon a finding that the evaluator failed to meet any of the program requirements listed in §18204 of this Regulation.
3. The evaluator shall determine whether or not the home meets a minimum structural standard on a pass or fail basis before identifying all improvements required to meet the IBHS fortified roof standard. Afterward, the evaluator shall submit a report to the IBHS for approval and provide a copy of the submitted report to the LFHP.
4. Via the LFHP online application portal, the homeowner must then upload bids from three LFHP-approved contractors of their choice to improve the home to meet the IBHS fortified roof standard. If an LFHP-approved

contractor is not available in the area where the home is located, the minimum number of bids required for the application will be reduced to reflect the number of contractors that are available in the area. A list of eligible contractors can be found at [www.lds.la.gov/fortifyhomes](http://www.lds.la.gov/fortifyhomes). The LFHP may remove a contractor from the list of eligible contractors at any time upon a finding that the contractor failed to meet any of the program requirements listed in §18203 of this Regulation.

C. Awarding of Grants. The LFHP will review all applications for completeness and will perform appropriate audits to verify the accuracy of the information in the application and whether the applicant meets the eligibility criteria. Verified applicants will then be placed in the order received, and grants will be awarded on a first-come basis, subject to availability of funding. Upon submission of an LFHP grant application, the LFHP will have 30 days to approve or deny the application. However, the LFHP may extend the time for review and approval of applications as it deems necessary. The LFHP will notify an applicant if the time for review and approval of the application has been extended. LFHP-approved contractors are not authorized to begin work on a home until the grant for the work is approved.

D. Maximum Grant Award. The amount of a grant award shall be equivalent to the actual cost to upgrade to the IBHS fortified roof standard not to exceed \$10,000. The Commissioner of the Department of Insurance may periodically update the amount of the grant award.

E. Release of Funds. Grant funds will only be released on behalf of an approved applicant once an IBHS fortified certificate has been issued for the home. Funds will be paid by the LFHP, on behalf of the homeowner, directly to the contractor that performed the work to fortify the roof.

#### F. Grant Award Process

1. Once the grant application is approved, the homeowner may contract with an LFHP-approved contractor to fortify the home. Once the fortification work on the home is completed, the LFHP-approved contractor will submit a copy of the signed contract to the LFHP, along with an invoice seeking payment and an affidavit verifying that the fortified standard was met by the work done by the LFHP-approved contractor.
2. The evaluator will perform all required evaluations, including the required interim inspection during construction and the final inspection, confirming that the work was completed according to the IBHS fortified roof specifications. The IBHS will review the evaluation and determine whether to issue a fortified designation, which is a written certificate that the home meets the fortified standard.
3. The LFHP will pay the LFHP-approved contractor's costs covered by the grant, and the homeowner shall pay the remaining costs to the LFHP-approved contractor.



4. The homeowner then must submit the declaration pages of the required insurance coverage to the LFHP within 30 days of receiving the fortified designation.

5. The LFHP may conduct random inspections to detect any fraud or irregularities.

6. To timely manage the processing of grant applications or to meet funding limitations, it may be necessary to establish specific periods when the LFHP will accept grant applications.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1(A).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:700 (April 2023).

#### §18206. Severability

A. If any rule or portion of a rule or its applicability to any person or circumstance is held invalid by any court, the remainder of this Chapter or the applicability of the provision to other persons or circumstances shall not be affected.

AUTHORITY NOTE: Promulgated in accordance with R.S.22:11 and R.S. 22:1483.1(A).

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 49:701 (April 2023).

## Chapter 183. Regulation Number 121—Term and Universal Life Insurance Reserve Financing

### §18301. Purpose

A. The purpose of this regulation is to set forth rules and procedural requirements to establish uniform, national standards governing reserve financing arrangements pertaining to life insurance policies containing guaranteed nonlevel gross premiums, guaranteed nonlevel benefits and universal life insurance policies with secondary guarantees and to ensure that, with respect to each such financing arrangement, funds consisting of primary security and other security, as defined in §18305, are held by or on behalf of ceding insurers in the forms and amounts required herein. In general, reinsurance ceded for reserve financing purposes has one or more of the following characteristics: some or all of the assets used to secure the reinsurance treaty or to capitalize the reinsurer

1. are issued by the ceding insurer or its affiliates; or
2. are not unconditionally available to satisfy the general account obligations of the ceding insurer; or
3. create a reimbursement, indemnification, or other similar obligation on the part of the ceding insurer or any of its affiliates (other than a payment obligation under a derivative contract acquired in the normal course and used to support and hedge liabilities pertaining to the actual risks in the policies ceded pursuant to the reinsurance treaty).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:651, 22:652, 22:661, 22:753, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:1583 (June 2022).

### §18303. Applicability

A. This regulation shall apply to reinsurance treaties that cede liabilities pertaining to covered policies, as that term is defined in §18305, issued by any life insurance company domiciled in this state. This regulation and Regulation 56 shall both apply to such reinsurance treaties, provided that in the event of a direct conflict between the provisions of this regulation and Regulation 56, the provisions of this regulation shall apply, but only to the extent of the conflict.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:651, 22:661, 22:753, and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 48:1584 (June 2022).

### §18305. Definitions

A. Strictly for the purposes of Regulation 121, the following terms are defined as follows.

*Actuarial Method*—the methodology used to determine the required level of primary security, as described in §18309.A.

*Commissioner*—the Louisiana Commissioner of Insurance.

*Covered Policies*—subject to the exemptions described in §18307, covered policies, other than grandfathered policies, of the following policy types:

- a. life insurance policies with guaranteed nonlevel gross premiums and/or guaranteed nonlevel benefits, except for flexible premium universal life insurance policies; or
- b. flexible premium universal life insurance policies with provisions resulting in the ability of a policyholder to keep a policy in force over a secondary guarantee period.

*Grandfathered Policies*—policies of the types described in the definition of covered policies that were:

- a. issued prior to January 1, 2015; and
- b. ceded, as of December 31, 2014, as part of a reinsurance treaty that would not have met one of the exemptions set forth in §18307 had that section then been in effect.

*Noncovered Policies*—any policy that does not meet the definition of covered policies, including grandfathered policies.

*Other Security*—any security acceptable to the commissioner other than security meeting the definition of primary security.

*Primary Security*—includes the following forms of security:

- a. cash meeting the requirements of R.S. 22:652