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DEPARTMENT OF INSURANCE  
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JAMES J. DONELON COMMISSIONER  
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JENNIFER LAND 225-342-6621 225-342-1632  
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Regulation 109 - Producer, Adjuster and Related Licenses

NOI TO AMEND Regulation 109  
 File name

Short descriptive listing for this document to be used in  
 the Louisiana Register's TABLE OF CONTENTS/INDEX

  
 Signature of Agency Head or Designee  
Nicholas Lorusso, Chief Deputy Commissioner  
 Print Name and Title of Agency Head or Designee

**Important:** If submitting both an Emergency Rule (ER) and a Notice  
 of Intent (NOI) to be published this month, AND if the rule text in the  
 ER is identical to the rule text in the NOI, check here:

CERTIFICATION OF AVAILABLE FUNDS

DOCUMENT # \_\_\_\_\_

**ISIS AGENCY:** I certify the availability of fiscal year \_\_\_\_\_ appropriated funds for the payment of the above referenced publication  
 and authorize the processing of an Interagency Billing with the following coding on the 30th of the month of the publication. Attach supplemental  
 sheet for additional lines of coding.

AGENCY	ORGANIZATION #	OBJECT	SUB-OBJECT	REPORTING CATEGORY
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**NON-ISIS AGENCY:** I certify the availability of fiscal year 20-21 appropriated funds for the payment of the above referenced  
 publication and agree to place corresponding invoice in line for payment upon receipt.

Billing Address for Agencies:

LA Department of Insurance  
 Agency Name  
P.O. Box 94214  
 Street Address or Post Office Box  
Baton Rouge, LA 70804-9214  
 City State Zip Code

Stephanie C. Kendrick 342-3918  
 Signature of Agency Head or Designee - Phone #

Lines/Other Charges \_\_\_\_\_ Typesetting \$ \_\_\_\_\_ TOTAL \$ \_\_\_\_\_

## NOTICE OF INTENT

### Department of Insurance Office of the Commissioner

#### Regulation 109—Producer, Adjuster and Related Licenses (LAC 37:XIII.Chapter 155)

The Department of Insurance, pursuant to the authority of the Louisiana Insurance Code, R.S. 22:1 and 22:11 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 109—Producer, Adjuster and Related Licenses. Regulation 109 sets forth requirements and procedures for applying for and maintaining a license as an insurance producer, claims adjuster, public adjuster, insurance consultant and business entity acting as a producer. Regulation 109 also sets forth the time periods for expiration and renewal of insurance licenses. The purpose of the amendment to Regulation 109 is to update the renewal dates for insurance producer appointments pursuant to Acts 2019, No. 226 §1.

### Title 37

### INSURANCE

#### Part XIII. Regulations

#### Chapter 155. Regulation Number 109—Producer, Adjuster and Related Licenses

##### §15501. Purpose

A. Regulation 109 implements the provisions of Act 154, of the 2017 Regular Session of the Louisiana Legislature, specifically R.S. 22:821(B)(3) and 22:1546(B)(1)(a), in addition to 22:1547(C)(1), 22:255, 22:1545, 22:1554, 22:1558, 22:1563, 22:1671, 22:1694, 22:1808.8 and 22:1922 which provide for the licensing of insurance producers, claims adjusters, public adjusters, insurance consultants and business entities acting as producers. Regulation 109 implements the provisions of Act 226, of the 2019 Regular Session of the Louisiana Legislature, specifically R.S. 22:821(B)(3)(b) which provides for renewal dates for insurance producer appointments.

B. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:1545, 22:1550, 22:1554, 22:1558, 22:1678, 22:1708 22:1808.8 and 22:1922 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:68 (January 2018), amended LR

##### §15517. Expiration of Producer Appointments

A. Individual insurance producer appointments shall expire on January 1 of each year. Business entity producer appointments shall expire on August 1 of each year. Appointments shall be renewed by payment of the renewal fee. The commissioner shall issue a renewal invoice for all active appointments to insurers at least 30 days prior to the appointment expiration date in a manner determined by the commissioner. Failure to timely pay the renewal fee invoice shall result in the expiration of the appointments.

B. ...

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255,

22:1545, 22:1550, 22:1554, 22:1558, 22:1678, 22:1708 and 22:1808.8 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:70 (January 2018), amended LR

### **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, or by faxing comments to (225) 342-1632. Comments will be accepted through the close of business, 4:30 p.m., April 10, 2021.

James J. Donelon

Commissioner

### **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.

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

Person Preparing Statement: Anita R. Robert Department: Louisiana Department of Insurance  
Phone: (225) 219-0609 Office: Management & Finance  
Return Address: P. O. Box 94214 Rule Title: Producer, Adjuster and Related Licenses  
Baton Rouge, LA  
70804-9214  
Effective Date: Upon Publication

**SUMMARY**

(Use Complete Sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. **THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, 1 THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.**

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

The proposed rule changes will not result in implementation costs or savings to state or local governmental units. The proposed rule changes Regulation 109 that set forth guidance on procedures for applying and maintaining a license as an insurance producer, claims adjuster, public adjuster, insurance consultant, and business entity acting as a producer. The proposed changes to Regulation 109, which was implemented by Acts 226 of the 2019 Regular Session, update the renewal dates for insurance producer appointments.

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

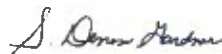
The proposed rule changes will have no impact on state or local governmental revenues.

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

The proposed rule changes will have an impact on directly affected persons or non-governmental groups. The proposed rule changes update the renewal dates for insurance producer appointments. Insurance producer appointments shall expire on January 1<sup>st</sup> of each year and business entity producer appointments shall continue to expire on August 1<sup>st</sup> of each year. The Commissioner will issue an invoice at least 30 days prior to the appointment expiration date. Failure to timely pay the renewal fee invoice shall result in the expiration of the appointment.

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

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



Denise Gardner, Chief of Staff  
La. Department of Insurance

2/25/21

Date of Signature



Legislative Fiscal Officer or Designee

3/7/21

Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriated legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of the current and proposed rules with amended portions indicated).

Regulation 109 was set forth for guidance on procedures for applying and maintaining a license as an insurance producer, claims adjuster, public adjuster, insurance consultant, and business entity acting as a producer. The proposed change to Regulation 109 is to update the renewal dates for insurance producer appointments pursuant to Acts 226 of 2019 Regular Session.

- B. Summarize the circumstances which require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.

The Louisiana Department of Insurance (LDI) is tasked with administering the Insurance Code, which regulates the business of insurance in all of its phases. The proposed changes to Regulation 109 provide guidance on the updated renewals of producer appointments which was implemented by the passage of Act 226 of the 2019 Regular Session.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session:

- (1) Will the proposed rule change result in any increase in expenditure of funds? If so, specify the amount and source of funding.

No increase in expenditure of funds is anticipated as a result of the proposed rule changes.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

Yes. If yes, provide documentation.

No. If no, provide justification as to why this rule change should be published at this time.

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM ACTION PROPOSED.

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

LDI does not anticipate any implementation costs (savings) as a result the proposed rule changes.

COSTS	FY 21	FY 22	FY 23
Personal Services	0	0	0
Operating Expenses	0	0	0
Professional Services	0	0	0
Other Charges	0	0	0
Equipment	0	0	0
Major Repairs & Constr.	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>POSITIONS (#)</b>			

2. Provide a narrative explanation of the costs or savings shown in "A.1" above, including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The proposed rule changes will have no impact on state or local governmental revenues.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 21	FY 22	FY 23
STATE GENERAL FUND	0	0	0
AGENCY SELF-GENERATED	0	0	0
DEDICATED	0	0	0
FEDERAL FUNDS	0	0	0
OTHER (SPECIFY)	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

No additional funding is necessary as a result of the proposed rule changes.

B. COSTS OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

There is no impact on local governmental units as a result of the proposed rule changes.

2. Indicate the sources of funding of local governmental unit(s) which will be affected by these cost or savings.

Not applicable.

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET  
(Continued)

**II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS**

A. What increase (decrease) in revenues can be anticipated from the proposed action?

The proposed rule changes will have no impact on state or local governmental revenues.

REVENUE INCREASE/DECREASE	FY 21	FY 22	FY 23
STATE GENERAL FUND	0	0	0
AGENCY SELF-GENERATED	0	0	0
DEDICATED FUNDS*	0	0	0
FEDERAL FUNDS	0	0	0
LOCAL FUNDS	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

\*Specify the particular fund being impacted.

B. Provide a narrative explanation of each increase or decrease in revenues shown in "A". Describe all data, assumptions and methods used in calculating these increases or decreases.

**III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS**

A. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.) they may have to incur as a result of the proposed action.

The proposed rule changes will have an impact on economic costs or benefits to directly affected persons or non-governmental groups. The proposed rule changes the expiration dates of producer appointments. Insurance producer appointments shall expire on January 1<sup>st</sup> of each year and business entity producer appointments shall expire on August 1<sup>st</sup> of each year. The Commissioner will issue an invoice at least 30 days prior to the appointment expiration date. Failure to timely pay the renewal fee invoice shall result in the expiration of the appointment.

B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

The proposed rule change is not anticipated to impact on receipts or income of directly affected persons, small businesses, or non-governmental groups.

**IV. EFFECTS ON COMPETITION AND EMPLOYMENT**

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

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