



## LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON  
COMMISSIONER

June 10, 2022

The Honorable Patrick Page Cortez  
President, Louisiana State Senate  
P.O. Box 94183  
Baton Rouge, LA 70804

ELECTRONIC TRANSMISSION  
[apa.senatepresident@legis.la.gov](mailto:apa.senatepresident@legis.la.gov)

The Honorable Clay Schexnayder  
Speaker, Louisiana House of Representatives  
P.O. Box 94062  
Baton Rouge, LA 70804

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

ELECTRONIC TRANSMISSION  
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The Honorable Mike Huval  
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ELECTRONIC TRANSMISSION  
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RE: Summary Report – Amend Regulation 112— Adoption of NAIC  
Handbooks, Guidelines, Forms, and Instructions

Dear President Cortez, Speaker Schexnayder, Senator Talbot, and Representative Huval:

The Louisiana Department of Insurance (LDI) hereby submits the following summary report required by La. R.S. 49:968(D)(1)(b), and announces its intention to proceed to finalize the amendment of Regulation 112, which was published as a Notice of Intent in the May 2022 edition of the *Louisiana Register*.

Interested persons were provided an opportunity to submit comments to the LDI on the proposed regulation. The LDI received comments from multiple persons in response to the Notice of Intent and the LDI responded accordingly. These comments and the LDI's responses are summarized below and enclosed for your review.

Comment 1: Katherine Dawley requested a link to Regulation 112.

Response to Comment 1: The request was routed to the proper division within the LDI to be addressed.

Comment 2: Myron Ruffin requested to be unsubscribed from the LDI Industry Portal Notification System.

Response to Comment 2: The request is not relevant to Regulation 112. However, the request to be unsubscribed was routed to the proper division within the LDI to be processed accordingly.

Comment 3: Laura Kane requested to be unsubscribed from the LDI Industry Portal Notification System.

Response to Comment 3: The request is not relevant to Regulation 112. However, the request to be unsubscribed was routed to the proper division within the LDI to be processed accordingly.

Comment 4: Dan Riggs requested to be unsubscribed from the LDI Industry Portal Notification System.

Response to Comment 4: The request is not relevant to Regulation 112. However, the request to be unsubscribed was routed to the proper division within the LDI to be processed accordingly.

Comment 5: Cura Muse requested to be unsubscribed from the LDI Industry Portal Notification System.

Response to Comment 5: The request is not relevant to Regulation 112. However, the request to be unsubscribed was routed to the proper division within the LDI to be processed accordingly.

Comment 6: Shannon Kwok requested assistance with updating the contact information for IngenioRx, Inc.

Response to Comment 6: The request is not relevant to Regulation 112. However, the request to update contact information was routed to the proper division within the LDI to be processed accordingly.

Comment 7: Latasha Porter requested to be unsubscribed from the LDI Industry Portal Notification System.

Response to Comment 7: The request is not relevant to Regulation 112. However, the request to be unsubscribed was routed to the proper division within the LDI to be processed accordingly.

Comment 8: Abigail Green requested assistance with updating the email address for MaxorPlus, Ltd.

Response to Comment 8: The request is not relevant to Regulation 112. However, the request to update the email address was routed to the proper division within the LDI to be processed accordingly.

Comment 9: Trent Bondy asked if the most recent edition of handbooks, guidelines, forms, and instructions adopted by the NAIC included any new or updated guidance about data or filings that carriers make to the LDI. Mr. Bondy referenced a bill in the legislature that would adopt some NAIC guidance regarding a liquidity stress test which may result in a new data call to the LDI.

Response to Comment 9: The LDI responded as follows:

I do not believe the regulation in question will have any impact on the filings to be made by LUBA. You reference the liquidity stress test, however this only applies to very large life insurance companies. Each year we annually put out a NAIC filings checklist where we highlight any new or discontinued filings. I think that document would address your question on a year-to-year basis regarding any changes.

Comment 10: Amanda Barron requested assistance with updating the email address for Tess Meusburger.

Response to Comment 10: The request is not relevant to Regulation 112. However, the request to update the email address was routed to the proper division within the LDI to be processed accordingly.

Subject to legislative oversight, the LDI intends to submit Regulation 112 to the Office of the State Register for final publication in the August 2022 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. 49:968(D)(1)(c).

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 who wish to make comments may do so by writing to Lisa Henson, 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, 2022.

James J. Donelon  
Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES  
RULE TITLE: Regulation 31—Holding Company**

**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 adds provisions for exemptions to the filing of reviewed financial statements for both Form A and Form B.

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

The proposed rule changes will not affect revenue collections for state or local governmental units.

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

There are no estimated costs and/or economic benefits to directly affected persons or nongovernmental groups.

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

The proposed rule changes will not affect competition or employment.

Lance Herrin  
Assistant Commissioner  
2205#057

Evan Brasseaux  
Interim Deputy 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.16101)**

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, 2021 edition;

2. the Annual and Quarterly Statement Instructions, Property and Casualty, 2021 edition;

3. the Annual and Quarterly Statement Instructions, Life, Accident, and Health, 2021 edition;

4. the Annual and Quarterly Statement Instructions, Health, 2021 edition;

5. the Annual and Quarterly Statement Instructions, Title, 2021 edition;

6. the Annual and Quarterly Statement Instructions, Fraternal, 2021 edition;

7. the Annual and Quarterly Statement Blanks, Property and Casualty, 2021 edition;

8. the Annual and Quarterly Statement Blanks, Life, Accident, and Health, 2021 edition;

9. the Annual and Quarterly Statement Blanks, Health, 2021 edition;

10. the Annual and Quarterly Statement Blanks, Title, 2021 edition;

11. the Annual and Quarterly Statement Blanks, Fraternal, 2021 edition;

12. the Accounting Practices and Procedures Manual, 2021 edition;
  13. the Financial Analysis Handbook, 2021 edition;
  14. the Own Risk and Solvency Assessment Guidance Manual, 2021 edition;
  15. the Purposes and Procedures Manual of the NAIC Investment Analysis Office, 2021 edition;
  16. the Risk-Based Capital Forecasting and Instructions, 2021 edition;
  17. the Market Regulation Handbook, 2021 edition;
- C. - C.3. ...

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:11, 258, 586(G), 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), amended LR 48:

#### **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 parents 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 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](mailto:regulations@ldi.la.gov). Comments will be accepted through the close of business, 4:30 p.m., June 9, 2022.

James J. Donelon  
Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES  
RULE TITLE: Regulation 112—Adoption of NAIC  
Handbooks, Guidelines, Forms, and Instructions**

**Title 56  
PUBLIC WORKS  
Part I. Water Wells**

**Chapter 3. Water Well Construction**

**§303. Purpose**

A. ...

B. All work related to environmental boreholes and monitoring systems shall conform to the requirements of this chapter. A resource available to drillers as reference material of common industry practices for installation of environmental boreholes and monitoring systems is the *Guidance Manual for Environmental Boreholes and Monitoring Systems*, dated November 2021, available online at: <http://www.dnr.louisiana.gov/guidance-manual>.

AUTHORITY NOTE: Promulgated in accordance with R.S. 38:3091-R.S. 38:309.8.

HISTORICAL NOTE: Promulgated by the Department of Transportation and Development, Office of Public Works, LR 1:249 (May 1975), amended LR 11:952 (October 1985), repromulgated by the Department of Transportation and Development, Office of Public Works, LR 31:942 (April 2005), amended by the Department of Natural Resources, Office of Conservation, LR 48:

**Chapter 5. Plugging and Sealing of Abandoned  
Water Well Holes**

**§503. Purpose**

A. ...

B. All work related to environmental boreholes and monitoring systems shall conform to the requirements of this chapter. A resource available to drillers as reference material of common industry practices for installation of environmental boreholes and monitoring systems is the *Guidance Manual for Environmental Boreholes and Monitoring Systems*, dated November 2021, available online at: <http://www.dnr.louisiana.gov/guidance-manual>.

AUTHORITY NOTE: Promulgated in accordance with R.S. 38:2091-R.S. 38:3097.

HISTORICAL NOTE: Promulgated by the Department of Transportation and Development, Office of Public Works, LR 1:249 (May 1975), amended LR 11:960 (October 1985), repromulgated by the Department of Transportation and Development, Office of Public Works, LR 31:942 (April 2005), amended by the Department of Natural Resources, Office of Conservation, LR 48:

**Family Impact Statement**

This Rule has no known impact on family formation, stability, and autonomy as described in R.S. 49:972.

**Poverty Impact Statement**

This Rule has no known impact on poverty as described in R.S. 49:973.

**Small Business Analysis**

This Rule has no known impact on small businesses as described in R.S. 49:965.6.

**Provider Impact Statement**

This Rule has no known impact on providers as described in HCR 170 of 2014.

**Public Comments**

All interested parties will be afforded the opportunity to submit data, views, or arguments, in writing. Written

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

Denise Gardner  
Chief of Staff  
2205#011

Evan Brasseaux  
Interim Deputy Fiscal Officer  
Legislative Fiscal Office

**NOTICE OF INTENT**

**Department of Natural Resources  
Office of Conservation**

**Guidance Manual for Environmental Boreholes  
and Monitoring Systems (LAC 56:I.303 and 503)**

Editor's Note: This Notice of Intent is being repromulgated to correct a submission error. This Notice of Intent may be viewed in the March 20, 2022 *Louisiana Register* on pages 607-608.)

The Department of Natural Resources, Office of Conservation proposes to amend LAC 56 I.303.B and LAC 56:I.503.B in accordance with the provisions of the Administrative Procedure Act, R.S. 49:950 et seq., and pursuant to the power delegated under the laws of the state of Louisiana. The proposed amendment includes reference to the use of the *Guidance Manual for Environmental Boreholes and Monitoring Systems* in the water well registration and plugging and abandonment regulations of Title 56.