

NOTICE OF INTENT

Department of Insurance  
Commissioner of Insurance

Regulation 61—Statement of Actuarial Opinion

Under the authority of R.S. Title 22, Sections 3 and 904, the Department of Insurance gives notice that the following proposed regulation is to be adopted effective December 20, 1996. This intended action complies with the statutory law administered by the Department of Insurance.

Proposed Regulation 61  
Statement of Actuarial Opinion

Section 1. Purposes

The purpose of this regulation is to provide for the implementation and administration of the provisions of R.S. 22:904, concerning actuarial certification of loss reserves, which statute was enacted by Act No. 71 of the First Extraordinary Session of 1996 of the Louisiana Legislature. It is intended to protect the public from the risk of insolvent insurance companies by requiring companies issuing certain types of policies to provide an actuarial statement of opinion of loss and loss adjustment expense reserves.

Section 2. Authority

This regulation is promulgated by the Department of Insurance under the authority granted by Revised Statute, Title 22, Sections 3 and 904 and the Administrative Procedure Act, R.S. 49:950 et seq.

Section 3. Applicability and Scope

This regulation shall apply to any insurer which issues policies of personal injury liability insurance, policies of employer's liability insurance, and policies of workers' compensation insurance. Any insurer which issues any of these types of policies shall attach to page 1 of the Annual Statement required by R.S. 22:1451, the statement of the opinion of an associate or fellow of the Casualty Actuarial Society or other qualified loss reserve specialist, as to the reasonableness and sufficiency of loss and loss adjustment expense reserves. This statement shall be in accordance with the Section entitled "Statement of Actuarial Opinion" of the Annual Statement Instructions. Exemptions from this requirement shall be in accordance with the Annual Statement Instructions.

A public hearing on this proposed regulation will be held at 9 a.m., October 29, 1996, in the Plaza Hearing Room of the Insurance Building at 950 North Fifth Street, Baton Rouge, LA. All interested persons will be afforded an opportunity to make comments.

Interested persons may submit oral or written comments to Rod Friedy, Director, Actuarial Services and Reinsurance, Department of Insurance, Box 94214, Baton Rouge, LA 70824-9214, telephone (504) 342-1631. Comments will be accepted through the close of business at 4:30 p.m. on October 29, 1996.

Brown

James H. "Jim"

Commissioner

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES  
RULE TITLE: Statement of Actuarial Opinion  
Regulation 61**

- I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS (Summary)  
It is not anticipated that the Department of Insurance will incur any costs or savings as a result of implementing this proposed regulation.
- II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS (Summary)  
Adoption of this proposed regulation will not have any effect on revenue collections by the state or local governmental units.
- III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS OR

NONGOVERNMENTAL GROUPS (Summary)

It is not anticipated that the proposed regulation would impose additional costs or create an economic benefit to insurers or any other nongovernmental group.

IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT (Summary)

It is not anticipated that adoption of this proposed regulation would have any effect on employment or competition.

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H. Gordon Monk  
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