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Department of Agriculture and Forestry Office of Agriculture and Environmental Sciences Boll Weevil Eradication Commission

Boll Weevil Eradication
Adjudicatory Hearing Establishment of 2002 Assessment

The Boll Weevil Eradication Commission will hold an adjudicatory hearing beginning at 10 a.m., March 7, 2002, at the Louisiana Department of Agriculture and Forestry, First Floor Auditorium, located at 5825 Florida Boulevard, Baton Rouge, LA, relative to the setting of the assessments levied upon cotton producers for each acre of cotton planted for the 2002 crop year, pursuant to R.S. 3:1613 and LAC 7:XV.321. Said assessment shall not exceed \$35 per acre of cotton planted for 2002 in the Red River Eradication Zone and \$15 per acre of cotton planted for 2002 in the Louisiana Eradication Zone. Calculations made to date indicate that the assessments should not, in actuality, exceed \$10 per acre for the Red River Eradication Zone and \$15 per acre for the Louisiana Eradication Zone.

All interested persons are invited to attend and will be afforded an opportunity to participate in the adjudicatory hearing. Written comments will be accepted if received prior to March 7, 2002, P.O. Box 3596, Baton Rouge, LA 70821-3596.

Dan P. Logan, Jr.
Chairman

0202#030

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Department of Agriculture and Forestry Horticulture Commission

Landscape Architect Registration Exam

The next landscape architect registration examination will be given June 10-12, 2002, beginning at 7:45 a.m. at the College of Design Building, Louisiana State University Campus, Baton Rouge, Louisiana. The deadline for sending the application and fee is as follows:

New Candidates: February 22, 2002
Re-Take Candidates: March 8, 2002
Reciprocity Candidates: May 3, 2002

Further information pertaining to the examinations may be obtained from Craig Roussel, Director, Horticulture Commission, P.O. Box 3596, Baton Rouge, LA 70821-3596, phone (225) 952-8100.

Any individual requesting special accommodations due to a disability should notify the office prior to September 7, 2001. Questions may be directed to (225) 952-8100.

Bob Odom
Commissioner

0202#032

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Department of Agriculture and Forestry Horticulture Commission

Retail Floristry Examination

The next retail floristry examinations will be given April 29-May 3, 2002, 9:30 a.m. at the 4-H Mini Farm Building, Louisiana State University Campus, Baton Rouge, LA. The deadline for sending in application and fee is March 15, 2002. No applications will be accepted after March 15, 2002.

Further information pertaining to the examinations may be obtained from Craig Roussel, Director, Horticulture Commission, Box 3596, Baton Rouge, LA 70821-3596, phone (225) 952-8100.

Any individual requesting special accommodations due to a disability should notify the office prior to March 15, 2002. Questions may be directed to (225) 952-8100.

Bob Odom
Commissioner

0202#031

POTPOURRI

Department of Insurance Office of the Commissioner

Advisory Letter Number 01-01
December 28, 2001

To: All Property And Casualty Commercial Insurers Admitted or Approved to issue Policies Insuring Risks in Louisiana

Re: Use of Pollution Exclusions in Commercial Lines Policy Forms

Statute And Regulation References: Title 22 of the Louisiana Revised Statutes §§2, 620, 621, 1211 et seq., and 1262.1

Please be advised that ISO has submitted a new Pollution Exclusion.¹ The new exclusion has been approved for use in Louisiana. The language in this exclusion is the same

language that has been filed by ISO on a nationwide basis. Thus, approval of the language places Louisiana on par with other states. Use of the new exclusion will expedite the form review and approval process.

The LDI is hereby advising insurers that it will approve policies that utilize the new exclusion. Further, the agency will approve pollution exclusions that are substantially similar to the new ISO exclusion, or to the ISO exclusions referenced in Advisory Letter 97-01.² The LDI will continue to approve policies that use the suggested language that it has made available to insurers since 1998. [To acquire copies of the ISO Pollution Exclusion Endorsements referenced in the advisory letter, please contact ISO Customer Service at (800) 888-4476 or by e-mail to www.iso.com.]

The LDI is hereby advising all admitted insurers that it will no longer approve policies that include in the text of the policy any version of the ISO Total Pollution Exclusion or substantially similar non-ISO total pollution exclusions.³ The LDI has approved the use of CG 21 65 09 99 as an endorsement to insurance policies. This endorsement, or one substantially similar to it, if approved for use in Louisiana, may be attached to policies issued to classes of insureds or individual insureds that are required to provide proof of financial responsibility for clean-up costs and related expenses for environmental damage to a federal, state, or local environmental regulatory agency. Additionally, insurers may use such an exclusion in situations other than as previously described when there is underwriting justification for its use.

Admitted insurers can elect to:

1. file notice of adoption of the ISO exclusion; or
2. file revised forms with the Commissioner of Insurance on or before March 30, 2002.⁴

After June 30, 2002, insurers that issue new or renewal policies that contain pollution exclusions that are inconsistent with this advisory letter will be issued an order withdrawing the approval previously granted, as authorized by LSA-R.S. 22:620.C.

Further, the LDI is hereby advising surplus lines insurers that use of a total pollution exclusion in the text of an insurance policy or the excessive use of such an exclusion as an endorsement to insurance policies, in the absence of underwriting justification, could result in removal from the white list.

¹ISO form number CG 26 75 01 02 for use with general liability forms and CG 31 40 01 02 for Owners and Contractors Protective Liability forms. The new exclusion adds language that resolves key areas of concern on the part of the LDI, particularly in regards to indoor occurrences.

²Those exclusions are CG 04 28 07 98, CG 04 29 07 98 and CG 04 30 07 98. Advisory Letter 97-01 can be viewed at www.ldi.state.la.us, currently listed under the icon LDI Office Index. Then click on Legal Department. For personal lines please see Directive 137 at the same website.

³CG 21 49 11 88.

⁴This provision is not applicable to insurers that have already obtained approval and are using a pollution exclusion that has an exception for pollution incidents that are accidental, occur suddenly and last for a short term, if they implement use of such an exclusion across all lines of business.

Any questions regarding this Advisory Letter may be directed to Kathlee Hennigan, Director of the Property and Casualty Division, at khennigan@ldi.state.la.us or by telephone at (225) 342-0073 or to C. Noël Wertz, Chief Attorney, Property and Casualty Section at nwertz@ldi.state.la.us or by telephone at (225) 342-4632.

J. Robert Wooley
Acting Commissioner

0202#037

POTPOURRI

Department of Insurance Office of the Commissioner

Advisory Letter Number 01-02
December 28, 2001

To: All Property and Casualty Insurers Admitted or Approved to Issue Policies Insuring Risks in Louisiana

Re: Use of Mold Exclusions in Insurance Policy Forms
Statute and Regulation References: Title 22 of the Louisiana Revised Statutes §§2, 620, 621, 1211 et seq., and 1262.1.

Please be advised that after due consideration, the LDI has determined that it will allow the use of insurance policies and/or endorsements that exclude coverage for mold if the exclusion is directed at precluding coverage for:

1. remedial costs, such as the costs of testing the insured premises for mold, or the cost of containment or fumigation of the insured premises, whether the mold is the result of a covered cause of loss or otherwise; or
2. mold that is not the result of a covered cause of loss.

Insurers doing business in Louisiana should take note that standard homeowner's policies do not provide coverage for "seepage" or for damage arising from wear and tear or the failure to do proper maintenance. More importantly, unlike most states there is very limited punitive damages exposure in Louisiana.

Insurers should make every effort to develop exclusions that are narrowly drafted. Further, such exclusions should not be used to deny coverage for the costs of repair and restoration of the insured premises for damages arising from a covered cause of loss, even if some mold is present.

Any questions regarding this Advisory Letter may be directed to Kathlee Hennigan, Director of the Property and Casualty Division, at khennigan@ldi.state.la.us or by telephone at (225) 342-0073 or to C. Noël Wertz, Chief Attorney, Property and Casualty Section at nwertz@ldi.state.la.us or by telephone at (225) 342-4632.

J. Robert Wooley
Acting Commissioner

0202#038

POTPOURRI

Department of Insurance Office of the Commissioner

Insurers' Use of Terrorism Exclusions December 21, 2001

The terrorism events of September 11, 2001 had a catastrophic effect on the insurance industry. In the aftermath of this catastrophe, reinsurers have determined that the industry does not have the capacity to withstand the potentially catastrophic risks associated with terrorism, and have excluded terrorism coverage for commercial risks. Congress is considering possible federal terrorism reinsurance proposals, similar to the National Flood Insurance Program. In the mean time, without reinsurance, primary insurers are unable to provide terrorism insurance coverage for many major commercial risks.

The Louisiana Department of Insurance (LDI) has carefully considered whether it is in the best interests of policyholders to approve insurer terrorism exclusions. Ultimately, LDI determined that without terrorism exclusions, insurance would not be available for many commercial policyholders.

Therefore, effective immediately, LDI will grant conditional approval of reasonable terrorism exclusions for commercial property and liability insurance policies, until such time that Congress enacts legislation to provide assistance to the terrorism reinsurance market, or other market conditions warrant a change in the LDI position on terrorism exclusions. Louisiana Workers' Compensation laws do not permit exclusion of terrorism from Workers' Compensation insurance.

LDI will require that terrorism exclusions clearly define excluded terrorist acts in such a manner that they do not exclude coverage for other potentially violent acts such as vandalism, malicious mischief, riot, etc. which do not constitute the scope or scale of a terrorist act. As a guideline, the National Association of Insurance Commissioners (NAIC) and the Insurance Services Office (ISO) have developed appropriate terrorism definitions which insurers may use during this conditional approval period.

LDI will re-examine this conditional approval of terrorism exclusions once Congress has addressed terrorism reinsurance, or the industry has developed a more refined approach to terrorism exclusions.

J. Robert Wooley
Acting Commissioner

0202#039

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Department of Natural Resources Office of Conservation

Orphaned Oilfield Sites

Office of Conservation records indicate that the Oilfield Sites listed in the table below have met the requirements as set forth by Section 91 of Act 404, R.S. 30:80 et seq., and as such are being declared Orphaned Oilfield Sites.

Operator	Field	District	Well Name	Well Number	Serial Number
Carnes W. Weaver	Port Barre	M	Haas & Hirsch	001	070800
Arkansas Nat. Gas Co.	Wildcat	S	Lymus J. White	001	000449
Monroe Well Service	Pendleton -Many	M	Lucius Heirs	001	203598

Felix J. Bourdreaux
Commissioner

0202#040

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Department of Revenue Policy Services Division

Federal Income Tax Deduction Hearing Date for Proposed Rule

The Notice of Intent for LAC 61:I.1307, Federal Income Tax Deduction, published in the January 20, 2002, *Louisiana Register*, incorrectly stated the date for the public hearing for the proposed rule. The Notice of Intent should have stated "Any interested person may submit written data, views, arguments or comments regarding this proposed rule to Michael D. Pearson, Senior Policy Consultant, Policy Services Division, Office of Legal Affairs, by mail to P.O. Box 15409, Baton Rouge, LA 70895-5409. All comments must be submitted no later than 4:30 p.m., February 28, 2002. A public hearing will be held on March 1, 2002, at 2:30 p.m. in the River Room on the seventh floor of the LaSalle Building, 617 North Third Street, Baton Rouge, Louisiana 70802."

Cynthia Bridges
Secretary

0202#033

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Department of Social Services Office of Community Services

Notice of Anticipated Funds Availability 2002 Louisiana Emergency Shelter Grants Program

The Louisiana Department of Social Services (DSS) anticipates the availability of \$1,552,158 in grant funds for distribution to applicant units of local government under the 2002 State Emergency Shelter Grants Program (ESGP). Program funds are allocated to the state by the U.S. Department of Housing and Urban Development (HUD) through authorization by the Stewart B. McKinney Homeless Assistance Act, as amended. Funding available under the Emergency Shelter Grants Program is dedicated for the rehabilitation, renovation or conversion of buildings for use as emergency shelters for the homeless, and for payment of certain operating costs and social services expenses in connection with emergency shelter for the homeless. The program also allows use of funding in

homeless prevention activities as an adjunct to other eligible activities. As specified under current state ESGP policies, eligible applicants are limited to units of general local government for all parish jurisdictions and those municipal or city governmental units for jurisdictions with a minimum population of 10,000 according to recent census figures. Recipient units of local government may make all or part of grant amounts available to private nonprofit organizations for use in eligible activities.

Application packages for the State ESG Program shall be issued by mail to the chief elected official of each qualifying unit of general local government. The application package can be viewed on the Internet at the following website: <http://www.dss.state.la.us/html/rfps.html>. In order to be considered for funding, applications must be received by DSS/Office of Community Services by 4 p.m., Friday, April 5, 2002.

Nonprofit organizations in qualifying jurisdictions which are interested in developing a project proposal for inclusion in an ESGP funding application should contact their respective unit of local government to advise of their interest. To be eligible for funding participation, a private nonprofit organization as defined by ESGP regulations must be one which is exempt from taxation under Subtitle A of the Internal Revenue Code, has an accounting system and a voluntary board, and practices nondiscrimination in the provision of assistance.

The state DSS will continue use of a geographic allocation formula in the distribution of the state's ESG funding to ensure that each region of the state is allotted a specified minimum of state ESG grant assistance for eligible ESGP projects. Regional allocations for the state's 2002 ESG Program have been formulated based on factors for low income populations in the parishes of each region according to U.S. Census Bureau data. Within each region, grant distribution shall be conducted through a competitive grant award process.

The following table lists the allocation factors and amounts for each region.

Region	Factor	Allocation
Region I New Orleans	.1572303	244,046
Region II Baton Rouge	.1120504	173,920
Region III Thibodaux	.0698830	108,469
Region IV Lafayette	.1522065	236,249
Region V Lake Charles	.0531705	82,529
Region VI Alexandria	.0764176	118,612
Region VII Shreveport	.1248105	193,726
Region VIII Monroe	.0985996	153,042
Region IX Northshore	.0746534	115,874
Region X Jefferson	.0809781	125,691

Regional funding amounts for which applications are not received shall be subject to statewide competitive award to applicants from other regions and/or shall be reallocated among other regions in accordance with formulations consistent with the above factors.

Grant awards shall be for a minimum of \$10,000. Applicable grant maximums are as follows:

1. Individual grant awards to applicant jurisdictions of less than 49,000 population shall not exceed \$50,000.

2. For a jurisdiction of over 49,000 population, the maximum grant award shall not exceed the ESGP allocation for that jurisdiction's respective region.

Grant specifications, minimum and maximum awards may be revised at DSS's discretion in consideration of individual applicant's needs, total program funding requests, and available funding. DSS reserves the right to negotiate the final grant amounts, component projects, and local match with all applicants to ensure judicious use of program funds.

Program applications must meet state ESGP requirements and must demonstrate the means to assure compliance if the proposal is selected for funding. If, in the determination of DSS, an application fails to meet program purposes and standards, even if such application is the only eligible proposal submitted from a region or subregion, such application may be rejected in toto, or the proposed project(s) may be subject to alterations as deemed necessary by DSS to meet appropriate program standards.

Proposals accepted for review will be rated on a comparative basis based on information provided in grant applications. Award of grant amounts between competing applicants and/or proposed projects will be based upon the following selection criteria.

1. Nature and extent of unmet need for emergency shelter, transitional housing and supportive services in the applicant's jurisdiction40 points

2. The extent to which proposed activities will address needs for shelter and assistance and/or complete the development of a comprehensive system of services which will provide a continuum of care to assist homeless persons to achieve independent living30 points

3. The ability of the applicant to carry out the proposed activities promptly15 points

4. Coordination of the proposed project(s) with available community resources, so as to be able to match the needs of homeless persons with appropriate supportive services and assistance15 points

ESGP recipients are required to provide matching funds (including in-kind contributions) in an amount at least equal to its ESG Program funding unless a jurisdiction has been granted an exemption in accordance with program provisions. The value of donated materials and buildings, voluntary activities and other in-kind contributions may be included with "hard cash" amounts in the calculation of matching funds. A local government grantee may comply with this requirement by providing the matching funds itself, or through provision by nonprofit recipients.

A recipient local government may at its option elect to use up to 2.439 percent of grant funding for costs directly related to administering grant assistance, or may allocate all grant amounts for eligible Program activities. Program rules do not allow the use of ESGP funds for administrative costs of nonprofit subgrantees.

Availability of ESGP funding is subject to HUD's approval of the state's FY 2002 Consolidated Annual Action

Plan for Housing and Community Development Programs. No expenditure authority or funding obligations shall be implied based on the information in this notice of funds availability.

Inquiries and comments regarding the 2002 Louisiana Emergency Shelter Grants Program may be submitted in writing to Office of Community Services, Division of

Financial Management, Box 3318, Baton Rouge, Louisiana, 70821, or telephone (225) 342-4583.

Gwendolyn P. Hamilton
Secretary

0202#066