

SENATE BILL NO. 156

BY SENATOR LAFLEUR

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

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AN ACT

To amend and reenact R.S. 22:1545(C), 1546(D), 1547(A), the introductory paragraph of R.S. 22:1547(I), R.S. 22:1551(C), 1571(A)(1), (B), (C)(4), and (E), and 1573(B), (C), (D), (E) and the introductory paragraph of R.S. 22:1573(I)(1)(a) and R.S. 44:4.1(B)(10) and to repeal R.S. 22:1545(F), 1546(B)(3), 1553(C), 1572, 1573(F)(2) and R.S. 36:686(C)(3), relative to insurance producers; to provide for exemptions to prelicensing education requirements; to provide for the fingerprinting and criminal history check of applicants; to provide for confidentiality; to provide for application for license; to provide for lines of authority for licenses; to provide for exemptions from licensing examinations; to provide for prelicensing requirements; to provide for prelicensing and continuing education programs; to abolish the Insurance Education Advisory Council; to repeal certain temporary licenses; to provide for continuing education requirements; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1545(C), 1546(D), 1547(A), the introductory paragraph of R.S. 22:1547(I), R.S. 22:1551(C), 1571(A)(1), (B), (C)(4), and (E), and 1573(B), (C), (D), (E) and the introductory paragraph of R.S. 22:1573(I)(1)(a) are hereby amended and reenacted to read as follows:

§1545. Examination

\* \* \*

1 C. (1) Any person applying for a license as an insurance producer, prior to  
2 taking the examination required by this Subpart, shall file with the Department of  
3 Insurance, in a manner prescribed by the commissioner, certification that the  
4 applicant has completed a registered prelicensing program certified by the  
5 commissioner pursuant to R.S. 22:1571.

6 (2) This Subsection shall not apply to any applicant seeking authorization to  
7 write industrial fire, fidelity and limited life, health and accident, surety, vehicle  
8 ~~physical damage~~, title, surplus lines, or credit life, credit accident and health, credit  
9 property and casualty, or variable annuity insurance business only.

10 (3) A person applying for a license as an insurance producer for  
11 authorization to write life insurance and having any of the following  
12 designations: Certified Employee Benefit Specialist (CEBS), Chartered  
13 Financial Consultant (ChFC), Certified Insurance Counselor (CIC), Certified  
14 Financial Planner (CFP), Chartered Life Underwriter (CLU), The Fellow, Life  
15 Management Institute (FLMI) or The LUTC Fellow Designation (LUTCF) shall  
16 be exempt from any prelicensing education requirements.

17 (4) A person applying for a license as an insurance producer for  
18 authorization to write health and accident insurance and having any of the  
19 following designations: Registered Health Underwriter (RHU), Certified  
20 Employee Benefit Specialist (CEBS), Registered Employee Benefits Consultant  
21 (REBC) or Health Insurance Associate (HIA) shall be exempt from any  
22 prelicensing education requirements.

23 (5) A person applying for a license as an insurance producer for  
24 authorization to write property or casualty insurance and having any of the  
25 following designations: Accredited Advisor in Insurance Program (AAI),  
26 Associate in Risk Management (ARM), Certified Insurance Counselor (CIC) or  
27 Chartered Property and Casualty Underwriter (CPCU) shall be exempt from  
28 any prelicensing education requirements.

29 (6) A person applying for a license as an insurance producer to write any  
30 line of insurance and having a bachelor's degree or higher from an accredited

1 college or university with major course work in insurance shall be exempt from  
2 any prelicensing education requirements.

3 \* \* \*

4 §1546. Application for license

5 \* \* \*

6 D.(1) The commissioner of insurance may require any documents deemed  
7 necessary to verify the information contained in an application.

8 (2) In order to make a determination of license eligibility, the  
9 commissioner of insurance may require fingerprints of applicants and submit  
10 the fingerprints and the fees required to perform the criminal history record  
11 checks to the Louisiana Bureau of Criminal Identification and Information for  
12 state and national criminal history record checks. The commissioner of  
13 insurance shall require a criminal history record check on each applicant in  
14 accordance with this Subpart. The commissioner of insurance shall require each  
15 applicant to submit a full set of fingerprints in order for the commissioner of  
16 insurance to obtain and receive National Criminal History Records from the  
17 FBI Criminal Justice Information Services Division.

18 (3) The commissioner of insurance may contract for the collection,  
19 transmission, and re-submission of fingerprints required under this Section. If  
20 the commissioner of insurance does so, the fee for collecting and transmitting  
21 fingerprints and the fee for the criminal history record check shall be payable  
22 directly to the contractor by the applicant. The commissioner of insurance may  
23 agree to a reasonable fingerprinting fee to be charged by the contractor.

24 (4) The commissioner of insurance shall treat and maintain an  
25 applicant's fingerprints and any criminal history record information obtained  
26 under this Section as confidential and shall apply security measures consistent  
27 with the Criminal Justice Information Services Division of the Federal Bureau  
28 of Investigation standards for the electronic storage of fingerprints and  
29 necessary identifying information and limit the use of records solely to the  
30 purposes authorized in this Section. The fingerprints and any criminal history

1 record information shall be exempt from the public records law (R.S. 44:1 et  
 2 seq.,) shall not be subject to subpoena, other than a subpoena issued in a  
 3 criminal proceeding or investigation, and shall be confidential by law and  
 4 privileged, and shall not be subject to discovery or admissible in evidence in any  
 5 private civil action.

\* \* \*

7 §1547. License

8 A. Unless denied licensure pursuant to R.S. 22:1554, persons who have met  
 9 the requirements of this Subpart shall be issued an insurance producer license. An  
 10 insurance producer may receive qualification for a license in one or more of the  
 11 following lines of authority:

12 (1) Life, which provides insurance coverage on human lives **including**  
 13 **benefits of endowment and annuities,** and may include benefits in the event of  
 14 death or dismemberment by accident and benefits for disability income.

15 (2) Health and accident, which provides insurance coverage for sickness,  
 16 bodily injury, or accidental death, and may include benefits for disability income.

17 (3) ~~Annuities~~ **Variable life and variable annuity products,** ~~which includes~~  
 18 ~~variable life and variable annuity products.~~

19 (4) Property, which provides insurance coverage for the direct or  
 20 consequential loss or damage to property of every kind. ~~A license for property~~  
 21 ~~insurance shall be for either personal lines, defined as property insurance coverage~~  
 22 ~~sold to individuals and families for primarily noncommercial purposes, or~~  
 23 ~~commercial lines, defined as anything other than personal lines, or both.~~

24 (5) Casualty, which provides insurance coverage against legal liability,  
 25 including that for death, injury or disability, or damage to real or personal property.  
 26 ~~A license for casualty insurance shall be for either personal lines, defined as casualty~~  
 27 ~~insurance coverage sold to individuals and families for primarily noncommercial~~  
 28 ~~purposes, or commercial lines, defined as anything other than personal lines, or both.~~

29 **(6) Personal lines, which provides property and casualty insurance**  
 30 **coverage to individuals and families for primarily noncommercial purposes.**

1           ~~(6)~~ **(7)** Title.

2           ~~(7)~~ **(8)** Credit life: which includes credit life, credit disability, credit  
 3 property, credit unemployment, involuntary unemployment, mortgage life,  
 4 mortgage guaranty, mortgage disability, guaranteed automobile protection  
 5 insurance, or any other form of insurance offered in connection with an  
 6 extension of credit to partially or wholly extinguish that credit obligation and  
 7 that is designated by the insurer as limited line credit insurance. The amount  
 8 of credit insurance issued pursuant to a credit transaction shall not exceed the  
 9 total sum payable under the contract including all loan finance and credit  
 10 service charges.

11           ~~(8)~~ Credit health and accident.

12           ~~(9)~~ Credit property and casualty.

13           ~~(10)~~ Repealed by Acts 2006, No. 335, §1, eff. June 13, 2006.

14           ~~(11)~~ **(9)** Travel which provides insurance coverage for trip cancellation,  
 15 trip interruption, baggage, life, sickness and accident, disability, and personal  
 16 effects when limited to a specific trip and sold in connection with transportation  
 17 provided by a common carrier.

18           ~~(12)~~ Baggage.

19           ~~(13)~~ **(10)** Industrial Limited life, health and accident, which provides  
 20 insurance coverage pursuant to R.S. 22:142. A license for industrial limited life may  
 21 allow the producer to sell life insurance in an amount not to exceed ~~fifteen~~ **thirty**  
 22 thousand dollars when appointed by an insurer which meets the minimum financial  
 23 requirements of, and is licensed pursuant to, R.S. 22:82(A)(1) or 112(A)(1), and  
 24 when such policies are issued by said insurer.

25           ~~(14)~~ Industrial health and accident.

26           ~~(15)~~ **(11)** Industrial fire.

27           ~~(16)~~ Fidelity and surety **(12)** Surety which provides insurance or bond that  
 28 covers obligations to pay debts of, or answer for the default of another,  
 29 including faithlessness in a position of public or private trust. For purpose of  
 30 limited line licensing, surety does not include surety bail bonds.





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B. The commissioner shall promulgate rules and regulations setting forth guidelines and requirements for the content and conduct of a registered insurance agent or bail agent prelicensing program and for the procedure for certification of an instructional program as a registered insurance agent prelicensing program. The commissioner shall also promulgate, ~~after consultation with the Insurance Education Advisory Council,~~ rules and regulations specifying the qualifications which each instructor in a registered insurance agent or bail agent prelicensing program shall possess. All such rules and regulations promulgated by the commissioner shall be promulgated pursuant to the provisions of the Administrative Procedure Act.

C. Each registered insurance agent or bail agent prelicensing program shall be conducted by one of the following:

\* \* \*

(4) An organization recommended by ~~the Insurance Education Advisory Council~~ and certified by the commissioner of insurance.

\* \* \*

E.(1) Each registered insurance agent prelicensing program ~~for life or health and accident insurance agents~~ shall provide instruction by a qualified instructor in a structured setting or by verifiable approved self-study with a minimum of ~~sixteen~~ **twenty** hours of supervised instruction or self-study, including instruction in applicable insurance principles, state laws and regulations, and ethical practices, **for each of the following lines of authority a license is sought: life, health and accident, property, casualty, and personal lines.**

~~(2) Each registered insurance agent prelicensing program for insurance agents other than life or health and accident insurance shall provide instruction by a qualified instructor in a structured setting with a minimum of thirty-two hours of supervised instruction, including instruction in applicable insurance principles, state laws and regulations, and ethical practices.~~

~~(3)~~ **(2)** Each registered bail agent prelicensing program shall provide instruction by a qualified instructor in a structured setting with a minimum of eight

1 hours of supervised instruction, including instruction in applicable underwriting  
2 principles, state laws and regulations, and ethical practices.

3 \* \* \*

4 §1573. Continuing education requirements

5 \* \* \*

6 B. The commissioner shall promulgate rules and regulations setting forth  
7 guidelines and requirements for the content and conduct of continuing education  
8 programs and for the procedure for approval of a continuing education program. The  
9 commissioner shall also promulgate, ~~with the approval of the Insurance Education~~  
10 ~~Advisory Council~~, rules and regulations specifying the qualifications which each  
11 instructor in an approved continuing education program shall possess. All such rules  
12 and regulations promulgated by the commissioner shall be promulgated pursuant to  
13 the provisions of the Administrative Procedure Act. The continuing education  
14 program shall be conducted by one of the entities set forth in R.S. 22:1571(C).

15 C. Beginning with renewals effective in ~~1994~~ **2010**, life **insurance agents**  
16 **and health** insurance agents shall complete ~~sixteen~~ **twenty-four** hours of approved  
17 instruction **or verifiable approved self-study** prior to each renewal of license, **with**  
18 **at least three hours dedicated to the subject of ethics.**

19 D. Beginning with renewals effective in 1993, insurance brokers, solicitors,  
20 and agents authorized to write ~~fire~~ **property**, casualty, or ~~fire~~ **property** and casualty  
21 **or personal lines** insurance business shall complete twenty-four hours of approved  
22 instruction **or verifiable approved self-study** before each renewal of license.  
23 Beginning with renewals effective in 2007, three hours of approved instruction shall  
24 be dedicated to flood insurance. ~~The dedication of approved instruction for flood~~  
25 ~~insurance shall terminate with renewals effective 2008.~~ **Beginning with renewals**  
26 **effective in 2011, at least three hours of approved instruction shall be dedicated**  
27 **to the subject of ethics.**

28 E. For brokers, solicitors, and agents authorized both to write life, **health and**  
29 **accident** insurance and **authorized** to write ~~fire~~ **property**, casualty, or ~~fire~~ **property**  
30 and casualty **or personal lines** insurance business, the continuing education

1 requirement for renewal of license shall be twenty-four hours of approved  
2 instruction or verifiable approved self-study. Beginning with renewals effective  
3 in 2011, at least three hours of approved instruction or verifiable approved self-  
4 study shall be dedicated to the subject of ethics. ~~as follows:~~

5 (1) ~~Twelve hours of approved life, health and accident insurance instruction~~  
6 ~~for renewal of the life, health and accident insurance license.~~

7 (2) ~~Twenty hours of approved property and casualty instruction for renewal~~  
8 ~~of the property and casualty license. Beginning with renewals effective in 2007, three~~  
9 ~~hours of approved instruction shall be dedicated to flood insurance. The dedication~~  
10 ~~of approved instruction for flood insurance shall terminate with renewals effective~~  
11 ~~2008.~~

12 \* \* \*

13 I.(1)(a) The provisions of this Section, imposing continuing education  
14 requirements for renewal of a license, shall not apply to any person sixty-five years  
15 of age or older on January 1, 2012, who has at least fifteen years of experience as  
16 a licensed agent, broker, or solicitor, and who either:

17 \* \* \*

18 Section 2. R.S. 44:4.1(B)(10) is hereby amended and reenacted to read as follows:

19 §4.1. Exceptions

20 \* \* \*

21 B. The legislature further recognizes that there exist exceptions, exemptions,  
22 and limitations to the laws pertaining to public records throughout the revised  
23 statutes and codes of this state. Therefore, the following exceptions, exemptions, and  
24 limitations are hereby continued in effect by incorporation into this Chapter by  
25 citation:

26 \* \* \*

27 (10) R.S. 22:2, 14, 88, 244, 461, 572, 574, 618, 706, 732, 752, 1203, 1460,  
28 1466, 1546, 1644, 1656, 1723, 1929, 1983, 2036, 2303

29 \* \* \*

30 Section 3. R.S. 22:1545(F), 1546(B)(3), 1553(C), 1572, 1573(F)(2) and R.S.

1 36:686(C)(3) are hereby repealed in their entirety.

2 Section 4. This Act shall become effective on January 1, 2010.

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PRESIDENT OF THE SENATE

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_