HLS 17RS-803 **ORIGINAL** 

2017 Regular Session

HOUSE BILL NO. 503

BY REPRESENTATIVE THIBAUT

INSURERS/AGENTS: Provides relative to the licensing of insurance producers

1	AN ACT
2	To amend and reenact R.S. 22:821(B)(3) and 1546(B)(1)(a), relative to licensing of
3	insurance producers; to provide for licensing fees paid by insurance producers; to
4	provide for licensing of business entities as insurance producers; to provide for
5	disclosure of persons with ten percent or more controlling interest in a resident
6	business entity; to provide for disclosure upon request of persons with ten percent
7	or more controlling interest in a non-resident business entity; and to provide for
8	related matters.
9	Be it enacted by the Legislature of Louisiana:
10	Section 1. R.S. 22:821(B)(3) and 1546(B) (1)(a) are hereby amended and reenacted
11	to read as follows:
12	§821. Fees
13	* * *
14	(3) For producers' licenses:
15	(a) Life, health, and accident producer; variable annuity producer
16	Surplus Lines:
17	First time applicant
18	Additional or renewal company appointment
19	<del>(yearly)</del> \$20.00
20	Producer renewal Renewal fee
21	(every two years)

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CODING: Words in struck through type are deletions from existing law; words underscored are additions.

1	(b)	Property and casualty producer All other lines:
2		First time applicant
3		Application to add lines
4		Additional Initial or renewal company appointment
5		(yearly)\$20.00
6		Producer renewal fee (every two years) \$50.00
7		(i) One line
8		(ii) Two lines
9	(c)	Limited lines producer
10		First time applicant
1		Each additional line of authority
12		Additional or renewal company appointment
13		(yearly)\$20.00
14		Renewal fee (every two years) \$50.00
15	<del>(d)</del>	Limited lines credit insurance producer
16		First time applicant
17		Additional or renewal company appointment
18		<del>(yearly)</del> \$20.00
19		Renewal fee (every two years) \$50.00
20	<del>(e)</del>	Surplus lines broker
21		First time applicant
22		Renewal fee (every two years) \$350.00
23	<del>(f)</del>	Fee for failure to file producer license renewal timely
24		(per license)
25	<del>(g)</del>	Fee for duplicate producer license \$15.00
26		* * *
27	§1546. Application	on for license
28		* * *

1 B.(1)(a) A business entity acting as an insurance producer is required to shall 2 obtain an insurance producer license. 3 (i) Every member, partner, officer, director, and person who controls directly 4 or indirectly ten percent or more of the applicant a resident business entity shall be registered with the Department of Insurance under such business entity's license. 5 6 (ii) A non-resident business entity shall provide to the commissioner upon 7 request the name of every member, partner, officer, director, and person who 8 controls directly or indirectly ten percent or more of the non-resident business entity. 9 (iii) For purposes of this Section, "control" has the same meaning as 10 provided in R.S. 22:691.2. 11 12 Section 2. This Act shall become effective on July 1, 2018.

## **DIGEST**

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 503 Original

2017 Regular Session

Thibaut

**Abstract:** Provides for license fees for insurance producers and disclosure by non-resident business entities with a producer's license of those controlling ten percent or more of the non-resident business entity.

<u>Present law</u> provides the following fees for insurance producer licenses:

Life, health, and accident producer; variable annuity producer  First time applicant	\$75.00			
Additional or renewal company appointment (yearly)				
Producer renewal fee (every two years)	\$50.00			
Property and casualty producer				
First time applicant	\$75.00			
Additional or renewal company appointment (yearly)	\$20.00			
Producer renewal fee (every two years)	\$50.00			
Limited lines producer				
First time applicant	\$75.00			
Each additional line of authority	\$35.00			
Additional or renewal company appointment (yearly)	\$20.00			
Renewal fee (every two years)	\$50.00			
Limited lines credit insurance producer				
First time applicant	\$75.00			
Additional or renewal company appointment (yearly)	\$20.00			
Renewal fee (every two years)	\$50.00			

Surplus lines broker
First time applicant
Renewal fee (every two years)\$350.00
Fee for failure to file producer license renewal timely (per license) \$50.00
Fee for duplicate producer license\$15.00

<u>Proposed law</u> retains the current fees for surplus lines producers and the fee for failure to timely file a producer license renewal.

<u>Proposed law</u> creates an "all other lines" category of insurance producers for the purpose of unifying the fee structure and renewal periods for the following insurance producer licenses: life, health, and annuities; property and casualty; limited lines; and limited lines credit insurance. <u>Proposed law</u> otherwise retains <u>present law</u> regarding the fee structure for producers in these categories.

<u>Proposed law</u> creates the following fee structure for all other lines of producer licenses:

First time applicant	\$75.00
Application to add lines	\$50.00
Initial or renewal company appointment (yearly)	\$20.00
Producer renewal fee (every two years):	
One line	\$50.00
Two or more lines	\$55.00

<u>Present law</u> provides that a business entity acting as an insurance producer is required to obtain an insurance producer license and that any person who directly or indirectly controls 10% or more of such entity shall be registered with the Department of Insurance under such business entity's license.

<u>Proposed law</u> changes <u>present law</u> by limiting the requirement to register controlling persons to resident business entities. <u>Proposed law</u> adds a requirement for non-resident business entities to provide that information to the commissioner of insurance upon request.

Effective January 1, 2018.

(Amends R.S. 22:821(B)(3) and 1546(B)(1)(a))