



1           WHEREAS, R.S. 22:1597 states in pertinent part, "The solicitation of a customer of  
2 a financial institution for the purchase or sale of insurance shall not be conducted by any  
3 natural person directly responsible for making a specific loan or extension of credit to that  
4 customer before such time as the final decision regarding the acceptance or denial of that  
5 specific loan or extension of credit is made and communicated in writing to the customer.";  
6 and

7           WHEREAS, R.S. 22:1599(A) states in pertinent part, "A financial institution shall  
8 not in any manner extend credit, lease, or sell property of any kind, or furnish any service,  
9 or fix or vary the consideration for any of the foregoing, on the condition or requirement that  
10 the customer shall obtain insurance from the financial institution. In accordance with the  
11 provisions of this Subpart, the financial institution shall not represent that the purchase of  
12 an insurance product from a financial institution by a customer or prospective customer of  
13 the institution is required as a condition of, or is any way related to, the lending of money  
14 or extension of credit, the establishment or maintenance of a trust account, the establishment  
15 or maintenance of a checking, savings, or deposit account, or the provision of services  
16 related to any such activities." Additionally, R.S. 22:1599(B) states, "No financial  
17 institution shall offer an insurance product in combination with banking products unless the  
18 insurance products and banking products are available separately from the institution."; and

19           WHEREAS, R.S. 22:1600 requires, in pertinent part, financial institutions to obtain  
20 a separate written statement, signed by the customer, acknowledging that the customer has  
21 received and understands certain disclosures, including a disclosure that the customer is not  
22 required to purchase insurance through the financial institution and that the choice of another  
23 insurance provider by the customer will not affect the credit decision to be made by the  
24 financial institution or credit terms in any way; and

25           WHEREAS, the legislature finds that certain financial institutions doing business in  
26 the state of Louisiana have failed to comply with the provisions of the Financial Institution  
27 Insurance Sales Law resulting in unfair trade practices subject to regulation by the  
28 commissioner of insurance and resulting in an atmosphere that may foster methods of undue  
29 coercion, deception, enticement, and persuasion that are harmful not only to those persons

1 competing in the industries of banking and insurance in the state of Louisiana but also to the  
2 interests of the customers of businesses in those industries and to the citizens of Louisiana.

3           THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby  
4 request that financial institutions strictly adhere to the provisions of the Financial Institution  
5 Insurance Sales Law in order to protect the lawfully recognized interests of the state of  
6 Louisiana, to protect those persons competing in the industries of banking and insurance, to  
7 protect the customers of those industries, and to protect the citizens of Louisiana.

8           BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the  
9 commissioner of insurance, the Louisiana Bankers' Association, and the commissioner of  
10 the office of financial institutions, who is hereby requested to distribute copies of this  
11 Resolution to the financial institutions conducting business in this state.

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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)]

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Harrison

Requests that all financial institutions conducting business in Louisiana strictly comply with present law (R.S. 22:1591-1605).

Requests the commissioner of the office of financial institutions to distribute copies of this Resolution to the financial institutions conducting business in this state.