

2022 Regular Session

HOUSE BILL NO. 695

BY REPRESENTATIVE WRIGHT

INSURANCE/HEALTH-ACCID: Provides for health and accident insurance producers and consultants and modifies terminology relative to health and accident insurance

1 AN ACT

2 To amend and reenact R.S. 22:456, 1547(F) and (I)(introductory paragraph),
3 1551(C)(introductory paragraph), (3), and (4), 1564(B)(2), 1573(C), (E), and (G),
4 1575(A)(1), and 1808.4(A)(2), relative to insurance producers and consultants; to
5 provide for appointments of producers; to provide for technical corrections relative
6 to exemptions from examinations, licensing, and continuing education of producers
7 and consultants; to modify terminology relative to accident and health insurance; to
8 provide for technical changes; and to provide for related matters.

9 Be it enacted by the Legislature of Louisiana:

10 Section 1. R.S. 22:456, 1547(F) and (I)(introductory paragraph), 1551(C)
11 (introductory paragraph), (3), and (4), 1564(B)(2), 1573(C), (E), and (G), 1575(A)(1), and
12 1808.4(A)(2) are hereby amended and reenacted to read as follows:

13 §456. Producers; appointment

14 A. Any self-insurer who has been issued a certificate of authority ~~under~~
15 pursuant to this Subpart may contract with and appoint as its representatives in this
16 state, as its producer or producers, any person or persons licensed as a ~~life and health~~
17 producer under producer for the line of accident and health or sickness pursuant to
18 Chapter 5 of this Title, R.S. 22:1541 et seq. No solicitation of insurance shall be
19 made by any producer prior to notification of such self-insurer that its appointment
20 has been recorded by the commissioner ~~of insurance~~. If the commissioner has not

1 notified the self-insurer of his disapproval of a particular producer within thirty days
2 after receipt of the self-insurer's appointment of such producer, the producer
3 thereafter may commence solicitation of insurance.

4 ~~B. On or before the first day of March of each year, each self-insurer shall~~
5 ~~submit to the commissioner of insurance by certified mail an alphabetical list of the~~
6 ~~licensed producers which it wishes to appoint, together with a fee of ten dollars for~~
7 ~~each such appointment. Any appointment shall remain in full force and effect until~~
8 ~~the thirtieth day of April following the date of recordation by the commissioner of~~
9 ~~insurance, unless the license of the appointed producer is revoked by the~~
10 ~~commissioner or until cancelled by the self-insurer upon written notice to the~~
11 ~~producer and the commissioner. To appoint a producer as its agent, the self-insurer~~
12 ~~shall file, in a manner prescribed by the commissioner, a notice of appointment~~
13 ~~within fifteen days from the date the agency contract is executed. Each notice of~~
14 ~~appointment shall include the fee in the amount set forth in R.S. 22:821.~~

15 ~~C. Any self-insurer who violates the provisions of this Section shall be fined~~
16 ~~the sum of ten dollars for each producer's appointment received after the first day of~~
17 ~~March of each year. If any producer is operating or intends to operate its business~~
18 ~~affairs as a partnership, corporation, or other business entity, the appointments in this~~
19 ~~Section may be issued by a self-insurer in the name of the partnership, corporation,~~
20 ~~or other business entity if all persons in the partnership, corporation, or other~~
21 ~~business entity actively engaged in soliciting, negotiating, or effecting contracts of~~
22 ~~insurance or renewals thereof also hold an active producer license issued in~~
23 ~~accordance with the provisions of R.S. 22:1541 et seq. and are registered pursuant~~
24 ~~to R.S. 22:1546(B).~~

25 ~~D. An appointment as provided for in this Section remains effective until the~~
26 ~~following date of renewal, unless the license of the named appointed producer is~~
27 ~~revoked by the commissioner as provided for in R.S. 22:1541 et seq., or until~~
28 ~~canceled by the self-insurer upon written notice to the producer with a copy thereof~~
29 ~~filed with the commissioner.~~

1 insurer or as an insurance producer may be licensed as a surplus lines broker as
2 follows:

3 * * *

4 §1551. Exemption from examination

5 * * *

6 C. The following resident applicants ~~shall be~~ are exempt from the
7 requirement of an examination:

8 * * *

9 (3) Any applicant ~~who shall be licensed~~ for a license to act only as a
10 producer with respect to life, ~~health, and~~ or accident and health or sickness insurance
11 on borrowers or debtors or with respect to property and casualty insurance on
12 collateral and involuntary unemployment, commonly known as credit insurance.

13 (4) Any applicant ~~who shall be licensed~~ for a license to act only as a producer
14 with respect to travel insurance.

15 * * *

16 §1564. Producers of record

17 * * *

18 B.

19 * * *

20 (2) Except as ~~provided in Paragraph (1) of this Subsection~~ upon the specific,
21 written instruction of the owner of the policy or the first-named insured, no insurer
22 or producer shall cancel and rewrite any such ~~contracts~~ contract during the term of
23 such contract or until the renewal date of the contract, whichever occurs first, which
24 would change the producer of record.

25 * * *

26 §1573. Continuing education requirements

27 * * *

28 C. Life insurance producers and consultants and ~~health~~ accident and health
29 or sickness insurance producers and consultants shall complete twenty-four hours of

1 approved instruction or verifiable approved self-study prior to each renewal of
2 license, with at least three hours dedicated to the subject of ethics. A person who
3 holds a combination of life or ~~health~~ accident and health or sickness insurance
4 producer licenses and life or ~~health~~ accident and health or sickness consultant
5 licenses shall complete a total of twenty-four hours of approved instruction or
6 verifiable approved self-study, with at least three hours dedicated to the subject of
7 ethics.

8 * * *

9 E. For producers authorized to write life, ~~health and~~ or accident and health
10 or sickness insurance and also authorized to write property, casualty, or property and
11 casualty or personal lines insurance business, and consultants authorized to consult
12 on life, ~~health and~~ or accident and health or sickness insurance and also authorized
13 to consult on property, casualty, or property and casualty or personal lines insurance
14 business, the continuing education requirement for renewal of license ~~shall be~~ is
15 twenty-four hours of approved instruction or verifiable approved self-study with at
16 least three hours of approved instruction or verifiable approved self-study dedicated
17 to the subject of ethics and three hours dedicated to the subject of flood insurance.
18 Persons who hold a combination of life, ~~health and~~ accident and health or sickness,
19 property, casualty, or property and casualty insurance producer licenses and life,
20 ~~health and~~ accident and health or sickness, property, casualty, or property and
21 casualty consultant licenses shall complete a total of twenty-four hours of approved
22 instruction or verifiable approved self-study, with at least three hours dedicated to
23 the subject of ethics and three hours dedicated to the subject of flood insurance.

24 * * *

25 G. Producers and consultants licensed for life, ~~health and~~ accident and health
26 or sickness, property, casualty or personal lines may carry over no more than ten
27 excess hours of approved insurance instruction accumulated during one renewal
28 period to be applied to the continuing education requirement for the next renewal
29 period.

30 * * *

1 §1575. Producer training requirements to sell long-term care insurance

2 A.(1) An individual shall not sell, solicit, or negotiate long-term care
3 insurance unless the individual is licensed as an insurance producer for ~~health and~~
4 ~~accident or life~~ or accident and health or sickness and has completed a one-time
5 training course. The training shall meet the requirements set forth in Subsection B
6 of this Section.

7 * * *

8 §1808.4. License

9 A. Unless denied licensure pursuant to R.S. 22:1808.8, persons who have
10 met the requirements of this Part shall be issued an insurance consultant license. An
11 insurance consultant may receive qualification for a license in one or more of the
12 following lines of authority:

13 * * *

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

17 * * *

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 695 Engrossed

2022 Regular Session

Wright

Abstract: Provides for health and accident insurance producers and consultants and changes the term "health and accident" to "accident and health or sickness".

Present law provides for health and accident insurance. Proposed law changes the terminology from health and accident to accident and health or sickness insurance, but maintains the meaning of such insurance in present law.

Present law authorizes a self-insurer who has been issued a certificate of authority in accordance with present law (R.S. 22:1541 et seq.) to contract with and appoint, as its producer or producers, any person licensed as a life and health producer. Requires the appointed producer to receive notification that its appointment has been recorded by the commissioner prior to making solicitations of insurance. Further authorizes the producer to begin solicitation of insurance if the commissioner has not notified the self-insurer of the commissioner's disapproval of the producer within 30 days after receipt of the self-insurer's appointment of the producer. Proposed law retains present law.

Present law requires a self-insurer to submit to the commissioner by certified mail an alphabetical list of the licensed producers it wishes to appoint, together with a \$10 fee for each appointment, by March 1 of each year. Requires appointments to remain effective until the 30th day of April following the date of recordation by the commissioner, unless the appointment is revoked by the commissioner or canceled by the self-insurer through its written notice to the producer and the commissioner. Proposed law deletes present law.

Proposed law requires a self-insurer to file a notice of appointment in a manner prescribed by the commissioner within 15 days from the date the agency contract is executed. Requires each notice of appointment to include the fee prescribed in present law (R.S. 22:821).

Present law assesses a self-insurer a \$10 fine for each producer's appointment untimely received by the commissioner after March 1 of each year. Proposed law deletes present law.

Proposed law provides that if any producer is operating or intends to operate as a partnership, corporation, or other business entity, the appointments in present and proposed law may be issued by a self-insurer in the name of the partnership, corporation, or other business entity if all persons in such partnership, corporation, or business entity actively engaged in soliciting, negotiating, or effecting contracts of insurance or renewals holds an active producer license and are registered in accordance with present and proposed law.

Proposed law provides for appointments to remain effective until the following date of renewal, unless the license of the named appointed producer is revoked by the commissioner or until canceled by the insurer through written notice to the producer and the commissioner.

Proposed law provides that appointments for individual producers expire on January 1 of each year. Requires a self-insurer to submit to the commissioner, in a manner prescribed by the commissioner, a list of appointed individual producers which it intends to reappoint by the expiration date of Jan. 1, including the fee prescribed in present law (R.S. 22:821).

Proposed law provides that appointments for a business entity expire on August 1 of each year and requires a self-insurer to submit to the commissioner, in a manner prescribed by the commissioner, a list of appointed business entity producers which it intends to reappoint no later than the expiration date of August 1 and the fee prescribed in present law (R.S. 22:821). Proposed law provides that if a self-insurer issues or delivers a policy or contract of insurance pursuant to the application or request of a producer who is not appointed to represent the self-insurer as a producer, the self-insurer is deemed to have authorized such producer to act on the insurer's behalf. Provides that payment to the producer is payment to the self-insurer with all resultant obligations and duties.

Proposed law establishes an agency relationship for premiums collected pursuant to present and proposed law (R.S. 22:456).

Present law prohibits an insurer or producer from canceling or rewriting certain contracts which would change the producer of record during the term of the contract. Proposed law modifies present law by authorizing such alterations to a contract upon specific, written instruction of the owner of the policy or the first-named insured on the policy.

Proposed law makes technical changes.

(Amends R.S. 22:456, 1547(F) and (I)(intro. para.), 1551(C)(intro. para.), (3), and (4), 1564(B)(2), 1573(C), (E), and (G), 1575(A)(1), and 1808.4(A)(2))

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Specify that written instruction of the owner of the policy or the first-named insured on the policy is required to alter a contract that would change the producer of record during the term of the contract.
2. Make technical changes to remove sections of present law and modify language to improve readability.