

Regular Session, 2011

SENATE BILL NO. 96

BY SENATORS QUINN AND APPEL AND REPRESENTATIVES BILLIOT,
CONNICK, HENRY, LIGI, LOPINTO, TEMPLET AND WILLMOTT

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

INSURANCE POLICIES. Provides for the compensation of an insurance producer for placement of certain commercial property and casualty insurance policies. (gov sig)

AN ACT

To enact R.S. 22:1567, relative to the purchase of commercial property and casualty insurance by certain entities; to provide for the compensation of an insurance producer for the placement of certain commercial property and casualty coverages; to authorize the negotiation of a combination of commission and fees or fees in lieu of commissions for the placement of coverages by an insurance producer; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1567 is hereby enacted to read as follows:

§1567. Commissions or fees in lieu of commissions

Notwithstanding any other provision of law to the contrary, an insurance producer and a property and casualty insurance company or an insurance producer and a governmental entity pursuant to R.S. 42:1123(37)(b) may negotiate any combination of commission and fees, or fees in lieu of commissions, to compensate the insurance producer for the placement of commercial property and casualty insurance coverages if the commercial insurance policy holder meets any one of the following criteria:

1 **(1) The commercial insurance policy holder has total annual property**
2 **and casualty insurance premiums in excess of five hundred thousand dollars.**

3 **(2) The commercial insurance policy holder obtains insurance coverage**
4 **with a per occurrence or per claim deductible or self-insured retention of fifty**
5 **thousand dollars or more for workers' compensation, general liability, or**
6 **automobile insurance coverages.**

7 **(3) The commercial insurance policy holder has a net worth in excess of**
8 **twenty-five million dollars.**

9 **(4) The commercial insurance policy holder qualifies as a self-insurer**
10 **with the state of Louisiana.**

11 **(5) The commercial insurance policy holder is a governmental entity that**
12 **had a contract prior to August 9, 2010 with an insurance producer on a**
13 **stipulated fee basis for the placement of commercial property and casualty**
14 **insurance coverages.**

15 Section 2. This Act shall become effective upon signature by the governor or, if not
16 signed by the governor, upon expiration of the time for bills to become law without signature
17 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
18 vetoed by the governor and subsequently approved by the legislature, this Act shall become
19 effective on the day following such approval.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Thomas L. Tyler.

DIGEST

Proposed law authorizes an insurance producer and a property and casualty insurance company or an insurance producer and a governmental entity to negotiate any combination of commission and fees, or fees in lieu of commissions, to compensate the producer for the placement of commercial property and casualty insurance coverages if the policy holder meets any one of the following criteria:

- (1) It has total annual property and casualty insurance premiums in excess of \$500,000.
- (2) It obtains insurance coverage with a per occurrence or per claim deductible or self-insured retention of \$50,000 or more for workers' compensation, general liability, or automobile insurance coverages.
- (3) It has a net worth in excess of \$25 million.

- (4) It qualifies as a self-insurer with the state.
- (5) It is a governmental entity that had a contract prior to August 9, 2010 with an insurance producer on a stipulated fee basis for the placement of commercial property and casualty insurance coverages.

Effective upon signature of the governor or lapse of time for gubernatorial action.

(Adds R.S. 22:1567)