

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 provision of law to the contrary, an insurance producer may negotiate with either or both a property and casualty insurer or a commercial policyholder, including a governmental entity pursuant to R.S. 42:1123(37)(b), to compensate the insurance producer for placement of commercial property and casualty insurance coverages by any combination of commissions, fees, or fees in lieu of commissions, if the commercial insurance policyholder, including a governmental entity pursuant to R.S. 42:1123(37)(b),

meets any one of the following criteria:

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

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

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

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

(5) The commercial insurance policy holder 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.

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

The original instrument was prepared by Thomas L. Tyler. The following digest, which does not constitute a part of the legislative instrument, was prepared by Cheryl Horne.

DIGEST

Quinn (SB 96)

Proposed law authorizes an insurance producer to negotiate with either or both a property and casualty insurer or commercial policyholder, including a governmental entity, to compensate the producer for placement of commercial property and casualty insurance coverages by any combination of commissions, fees, or fees in lieu of commissions, if the policyholder 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)

Summary of Amendments Adopted by Senate

Committee Amendments Proposed by Senate Committee on Insurance to the original bill.

- 1. Clarifies that the insurance producer negotiates with both a property and casualty insurer or a commercial policyholder, including a governmental entity, to compensate the producer for placement of commercial property and casualty insurance coverages by any combination of commissions, fees, or fees in lieu of commissions if the policyholder meets any one of certain criteria.