

Regular Session, 2012

ACT No. 864

HOUSE BILL NO. 1210 (Substitute for House Bill No. 807 by Representative Huval)

BY REPRESENTATIVE HUVAL

1 AN ACT

2 To amend and reenact R.S. 42:1123(37), relative to ethics; to provide exceptions to the
3 Code of Governmental Ethics relative to the provision of certain insurance services
4 and compensation related thereto; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 42:1123(37) is hereby amended and reenacted to read as follows:

7 §1123. Exceptions

8 This Part shall not preclude:

9 * * *

10 (37)(a) An insurance producer ~~of record, as provided for in R.S. 22:1564(B),~~
11 ~~from providing all of the~~ as defined in R.S. 22:1542(6), from serving as the
12 insurance producer of record as provided in R.S. 22:1564(B) for a governmental
13 entity; from providing any normal insurance services for a governmental entity; and
14 from providing risk management services to for a governmental entity, including but
15 not limited to providing advice or recommendations regarding insurance coverages,
16 markets, costs, terms, selection of coverages and all related matters or any
17 combination thereof; provided that:

18 (i) An insurance producer, as defined in R.S. 22:1542(6), who ~~solicits to be~~
19 ~~producer of record or serves as producer of record for a governmental entity provides~~
20 or solicits to provide any of the services in this Subparagraph shall not serve in any
21 other official ~~decision making~~ decisionmaking capacity over insurance issues for the

1 governmental entity, including but not limited to elected or appointed positions,
2 advisory committees, as an employee, or as risk manager.

3 (ii) Any insurance producer who has served in any official decisionmaking
4 capacity over insurance issues for a governmental entity, including but not limited
5 to elected or appointed positions, advisory committees, as an employee, or as risk
6 manager, and who wishes to solicit ~~or serve as producer of record~~ to provide any of
7 the services in this Subparagraph for that same governmental entity shall comply
8 with the provisions of R.S. 42:1121.

9 (b)(i) An insurance producer ~~of record may be~~ from being compensated by
10 means of normal commissions or pursuant to a written contract providing for
11 payment of a stipulated fee, or both for any of the services in Subparagraph (a) of
12 this Paragraph; provided that ~~where the insurance producer of record receives any~~
13 ~~compensation from the governmental entity for the placement of insurance coverages~~
14 ~~and represents the governmental entity with respect to that placement~~; the insurance
15 producer shall fully disclose to the governmental entity in writing all fees,
16 commissions, or other compensation payable to the producer of record from the
17 insurer or any source other than the governmental entity that relate to the placement
18 of the insurance coverages services provided.

19 (ii) An insurance producer who provides any of the services in Subparagraph
20 (a) of this Paragraph for a governmental entity from receiving fees, commissions,
21 or other compensation payable to the insurance producer from insurance companies
22 for services rendered to those insurance companies for products or services sold to
23 other governmental entities or persons that do not directly relate to the services
24 provided by the insurance producer to the governmental entity; provided the
25 insurance producer discloses to the governmental entity the name of any insurer or
26 source from which he receives fees, commissions, or other compensation if such
27 insurer or other source is providing or is seeking to provide services or insurance
28 coverage to the governmental entity at the time the insurance producer is providing
29 services to the governmental entity.

(d) The provisions of this Paragraph shall not apply to individually underwritten guaranteed renewable limited benefit health insurance policies.

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PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: _____