AN ACT

To amend and reenact R.S. 22:855(H) and to enact R.S. 22:1568, relative to producer compensation; to authorize agency fees on health and accident insurance policies; to provide for commissions and other forms of compensation; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:855(H) is hereby amended and reenacted and R.S. 22:1568 is hereby enacted to read as follows:

§855. Quoted premium shall include all charges; dollar amount required

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H. The provisions of this Section shall apply to all policies except life, annuity, health and accident, and reinsurance policies.

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§1568. Producer compensation for sales of health and welfare plans

A. A health insurance issuer shall establish one or more schedules of commission for the sale of each health insurance product by an insurance producer. Such schedules of commission shall be uniformly applied to all producers within the same schedule and shall be payable to all insurance producers licensed and appointed to sell the health insurance products of the issuer. The provisions of this Subsection shall not apply to any employee welfare benefit plan exclusively regulated by the United States Department of Labor pursuant to Section 514 of the Employee Retirement Income Security Act of 1974, 29 U.S.C. 1144, or Section 4 of the same act, 29 U.S.C. 1003.
B. In addition to a commission for a health insurance product, a health insurance producer may negotiate a charge, fee, or any other form of compensation directly with the plan sponsor or employer group.

C. Each health insurance contract entered into prior to the effective date of this Act shall comply with the provisions of this Section at the annual anniversary or renewal date following the effective date of this Act. This Section shall apply to political subdivisions as defined by R.S. 42:1102(17), except for any political subdivision that had a contract on the effective date of this Act with an insurance producer or health insurance plan on a net of commission or stipulated fee basis for the placement of group health insurance coverage.

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.

SPEAKER OF THE HOUSE OF REPRESENTATIVES

PRESIDENT OF THE SENATE

GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: ________________________