

2017 Regular Session

HOUSE BILL NO. 407

BY REPRESENTATIVE HUVAL

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

INSURERS/AGENTS: Provides for producer fees for individual and group health insurance policies

1 AN ACT

2 To amend and reenact R.S. 22:855(B)(1) and (2)(c) and 1568(B) and to enact R.S.
3 22:855(B)(2)(d), relative to producer compensation; to authorize agency fees on
4 individual and group health insurance policies and supplemental benefit insurance
5 policies; to provide for commissions and other forms of compensation; and to
6 provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:855(B)(1) and (2)(c) and 1568(B) are hereby amended and
9 reenacted and R.S. 22:855(B)(2)(d) is hereby enacted to read as follows:

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

11 * * *

12 B.(1) No insurer or its officer, employee, producer, or other representative
13 shall charge or receive any fee, compensation, or consideration for insurance which
14 is not included in the premium quoted to the insured and the premium specified in
15 the policy delivered to the insured, except for the premium tax on a surplus lines
16 policy which shall be separately stated, and except for reimbursement for expenses
17 due the producer, and except for an agency fee, if any, as authorized hereunder for
18 all lines of insurance including but not limited to property insurance, casualty
19 insurance, individual and group health insurance, and supplemental benefit insurance
20 coverages.

1 (2)

2 * * *

3 (c) Expenses or agency fees charged for an individual health insurance
4 policy shall be disclosed on a separate document which shall be signed by the named
5 insured. The exclusive remedy for failure to obtain a signed disclosure on an
6 individual health insurance policy shall be the return of expenses and agency fees.

7 (d) The commissioner of insurance may promulgate rules to enforce the
8 provisions of this Section.

9 * * *

10 §1568. Producer compensation for sales of health and welfare plans

11 * * *

12 B. In addition to a commission for a individual and group health insurance
13 ~~product~~ products, a health insurance producer may negotiate a charge, fee, or any
14 other form of compensation directly with the insured, plan sponsor or employer
15 group as authorized by R.S. 22:855(B). The producer shall also provide notification
16 in a separate written document of sufficient size and legibility that advises the
17 insured that he may purchase the same health insurance policy online or by
18 contacting a health care navigator. The notice shall also inform the insured that if
19 he elects to purchase a health insurance policy with his current agent he may be
20 charged a fee and expenses that he would not incur if he purchases a policy online
21 or through a health care navigator. The form shall be signed by the named insured.

22 * * *

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 407 Reengrossed 2017 Regular Session Huval

Abstract: Authorizes agency fees on individual health and accident insurance policies.

Present law allows health insurance producers to negotiate charges, fees, and any other form of compensation directly with the plan sponsor or employer group for group health and accident insurance policies.

Proposed law retains present law and additionally allows health insurance producers to negotiate charges, fees, and any other form of compensation directly with the insured for an individual health and accident policy.

Proposed law allows producers to negotiate charges, fees, and any other form of compensation directly with the insured for supplemental benefit insurance coverages.

Proposed law requires the expenses and fees charged on an individual health insurance policy be disclosed to the insured on a separate document that the insured will sign. Further provides for exclusive remedy for failure to disclose.

Proposed law requires a producer disclose to the insured on a document, signed by the insured, that the insured may purchase the same health insurance policy online or by contacting a healthcare navigator and will not incur a fee or expenses.

(Amends R.S. 22:855(B)(1) and (2)(c) and 1568(B); Adds R.S. 22:855(B)(2)(d))

Summary of Amendments Adopted by House

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

1. Allow producers to negotiate an agency fee for supplemental benefit insurance coverages.

The House Floor Amendments to the engrossed bill:

1. Require expenses or agency fees charged on an individual health insurance policy be disclosed to the insured on a separate document signed by the insured. Provides for exclusive remedy for failure to disclose.
2. Require a producer disclose to an insured on a separate document, signed by the insured, that the insured may purchase the same health insurance policy online or by contacting a healthcare navigator and will not incur a fee or expenses.