

RÉSUMÉ DIGEST

ACT 127 (HB 267)

2018 Regular Session

Anders

Existing law prohibits an insurer or insurance producer from giving or allowing any valuable consideration or compensation to any person or business entity not duly licensed as an insurance producer, nor to an insurer not licensed to do business in this state, for or because of service rendered or performed in this state in selling, soliciting, negotiating, or effecting a contract of insurance on any property or risks, or insurable interests, or business activities located or transacted within this state.

Prior law provided an exception for the distribution of profits to the owners of an insurance agency business entity licensed as a producer if the business entity had complied with the provisions of existing law and the owners were not persons to whom either of the following applied:

- (1) Been convicted or pleaded nolo contendere to any felony, participated in a pretrial diversion program pursuant to a felony charge, suspension and deferral of sentence, and probation pursuant to C.C.P. Art. 893, or been convicted of any misdemeanor involving moral turpitude or public corruption.
- (2) Had an insurance producer license revoked or suspended or are found to have violated any provision of the Louisiana Insurance Code.

New law retains prior law but makes technical changes and repeals the requirement that the owners not have been found to violate any provision of the Louisiana Insurance Code.

New law adds an exception for the distribution of profits to the owner of an insurance agency business entity licensed as a producer if the owner has either one of the following:

- (1) The written consent or a waiver from the commissioner to engage in the business of insurance.
- (2) An individual insurance producer license issued subsequent to any plea or conviction described in present law.

Effective August 1, 2018.

(Amends R.S. 22:1562(A)(2) and (3); Adds R.S. 22:1562(A)(4))