

1 WHEREAS, concerns have been expressed that not all producers of surety bonds
2 have been separately disclosing and itemizing all fees charged by a producer of surety bonds
3 on a consistent basis; and

4 WHEREAS, concerns have been expressed regarding whether applying all provisions
5 of R.S. 22:855 to both producers of traditional insurance policies and producers of surety
6 bonds best serves consumers; and

7 WHEREAS, distinctions exist between the market for traditional insurance policies
8 and the market for producers of surety bonds; and

9 WHEREAS, concerns have been expressed regarding the fairness and consistency
10 of requiring all producers of surety bonds to separately disclose and itemize all fees charged
11 but not requiring producers of surety bonds to separately disclose and itemize all
12 contingency commissions that will be received; and

13 WHEREAS, additional study of the issues raised by requiring producers of surety
14 bonds to separately disclose and itemize all fees charged by a producer of surety bonds could
15 be beneficial to the health of the insurance and surety bond markets.

16 THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
17 establish the Surety Producer Disclosure Task Force to study and make recommendations
18 regarding the clarity of R.S. 22:855 and whether all provisions of R.S. 22:855 should apply
19 to producers of surety bonds.

20 BE IT FURTHER RESOLVED that the membership of the task force shall be as
21 follows:

- 22 (1) The speaker of the House of Representatives or his designee.
- 23 (2) The president of the Senate or his designee.
- 24 (3) The commissioner of the Department of Insurance or his designee.
- 25 (4) One representative from the Independent Insurance Agents and Brokers of
26 America.
- 27 (5) One representative from the Professional Insurance Agents of Louisiana.

28 BE IT FURTHER RESOLVED that the task force shall convene its first meeting by
29 September 1, 2021, and shall report its findings and recommendations to the Louisiana
30 Legislature no later than February 1, 2022.

1 BE IT FURTHER RESOLVED that the task force shall study and make
2 recommendations on matters that include but are not limited to the following:

3 (1) New language that could clarify the legislative intent of R.S. 22:855.

4 (2) The impact of exempting producers of sureties from certain provisions of
5 R.S. 22:855.

6 BE IT FURTHER RESOLVED that this Resolution be transmitted to the
7 commissioner of the Department of Insurance, the chief executive officer of the Independent
8 Insurance Agents and Brokers of America, and the executive vice president of the
9 Professional Insurance Agents of Louisiana.

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)]

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Creates a task force to study and make recommendations concerning the feasibility of exempting producers of sureties from certain requirements of R.S. 22:855 by Feb. 1, 2022.