

## RÉSUMÉ DIGEST

ACT 312 (HB 746)

2016 Regular Session

Thibaut

New law authorizes the licensing and regulation of insurance consultants by the commissioner of insurance, with an initial term of two years and followed by renewals at two year intervals.

New law establishes fees for the initial license and for each renewal. New law requires a \$75 fee for first time applicants and a \$50 renewal fee.

Existing law provides for continuing education requirements for individuals licensed pursuant to existing law.

Existing law requires life insurance producers and health insurance producers to complete 24 hours of approved instruction or self-study including 3 hours of ethics prior to renewal of a license.

New law adds consultants to that continuing education requirement. New law provides that an individual who holds a combination of life or health insurance producer licenses and life or health consultant licenses must complete a total of 24 hours of instruction or self-study.

Prior law required insurance producers authorized to write property, casualty, or property and casualty or personal lines insurance business to complete 24 hours of approved instruction or self-study including 3 hours of ethics before renewal of a license.

New law changes prior law by requiring those insurance producers as well as property, casualty, or property and casualty insurance consultants to complete 24 hours of instruction or self-study. In addition to 3 hours of ethics, new law requires that there must also be 3 hours dedicated to the subject of flood insurance.

Prior law required insurance producers authorized to write life, health and accident and also authorized to write property, casualty, or property and casualty or personal lines business to complete 24 hours of approved instruction or self-study including 3 hours of ethics before renewal of a license.

New law changes prior law by requiring those insurance producers as well as life, health and accident insurance consultants and also authorized to consult on property, casualty, or property and casualty or personal lines insurance business to complete 24 hours of instruction or self-study. In addition to 3 hours of ethics, new law requires that there must also be 3 hours dedicated to the subject of flood insurance.

Prior law prohibited more than 10 carryover hours of approved life and health and accident insurance instruction during a renewal period for continuing education. New law changes prior law and provides that for producers and consultants licensed for life, health and accident, property, casualty or personal lines, no more than 10 hours of approved insurance instruction may be carried over during a renewal period.

New law, relative to insurance consultants, provides for the defined term "insurance consultant".

New law requires an applicant for an insurance consultant license to pass a written examination for each line of insurance for which he wishes to be licensed.

New law provides that, under certain circumstances, an individual who was previously licensed as a resident insurance consultant for the same lines of authority in another state shall be exempted from the examination requirement in this state.

New law requires that an individual applying for a resident insurance consultant license apply to the commissioner of insurance using the application promulgated by the Department of Insurance. New law further specifies the requirements an applicant must meet for the application process.

New law requires each applicant to submit a full set of fingerprints and pass a criminal background check. Further provides that the fingerprints and the results of the background check shall be confidential and not subject to the public records law.

New law provides a license renewal process including the payment of certain fees. New law also provides for a process for the failure to timely renew a license.

New law creates reciprocity with other states for nonresident insurance consultants and specifies the requirements an applicant must meet for the application process.

New law allows an insurance consultant to be licensed for the insurance lines of life, health and accident, variable life and variable annuity products, property, and casualty.

New law gives the commissioner of insurance the authority to place on probation, suspend, revoke, or refuse to issue, renew, or reinstate an insurance consultant license. New law also gives the commissioner of insurance the authority to levy fines up to \$500, but not exceeding \$10,000 in the aggregate, for certain enumerated violations. New law provides for due process when the commissioner of insurance exercises such authority.

New law prohibits an insurance consultant from receiving commissions, service fee, brokerage, or other valuable consideration for selling, soliciting, or negotiating insurance in the state.

New law requires an insurance consultant's compensation to be set forth in a written agreement. New law also requires the disclosure of certain information in the written agreement including the services to be provided and the time period for the agreement.

New law specifies acts that are prohibited for licensed insurance consultants. New law authorizes civil and criminal penalties for certain conduct, including suspension or revocation of license, civil fines, criminal fines, and imprisonment.

New law requires an insurance consultant to report to the commissioner of insurance any administrative action taken in another jurisdiction or by another governmental agency in the state.

Existing law provides that certain documents and types of media are deemed "public records" and may be examined by the public under certain circumstances. Existing law also provides for certain exceptions, exemptions, and limitations to the Public Records Law.

New law adds provisions relative to the insurance consultant application process, particularly the submission of fingerprints and the background report, to existing law thereby exempting such from public records.

Effective August 1, 2016.

(Amends R.S. 22:1573(A), (C)-(E), and G and R.S. 44:4.1(B)(11); Adds R.S. 22:821(B)(38) and 1808.1-1808.13)