

2022 Regular Session

SENATE BILL NO. 274

BY SENATOR TALBOT

PUBLIC WORKS. Provides a producer of surety bonds written for a public works project is not required to have a separate disclosure and an itemization of all fees. (7/1/22)

1 AN ACT

2 To amend and reenact R.S. 22:855(B)(2)(a), relative to separate disclosure and itemization
3 of fees in a quoted premium; to provide that a producer of a surety bond written for
4 a public works project is not required to have a separate disclosure and an
5 itemization of all fees; to provide for an effective date; and to provide for related
6 matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:855(B)(2)(a) is hereby amended and reenacted to read as follows:

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

10 * * *

11 B. * * *

12 (2)(a) The producer may receive reimbursement from the insured for
13 expenses incurred by the producer directly related to the insurance coverage for the
14 insured. In addition, the producer may charge a reasonable agency fee related to the
15 services provided by the producer. Any reimbursement or agency fee, **except any**
16 **reimbursement or agency fee charged by the producer of a surety bond issued**
17 **in accordance with R.S. 38:2219**, shall be itemized separately on an invoice

1 statement. A single invoice may be used to make known all charges. Each such
2 charge must be prominently disclosed and itemized separately on the invoice.

3 * * *

4 Section 3. This Act shall become effective on July 1, 2022; if vetoed by the governor
5 and subsequently approved by the legislature, this Act shall become effective on the day
6 following such approval by the legislature or July 1, 2022, whichever is later.

The original instrument and the following digest, which constitutes no part
of the legislative instrument, were prepared by Martha S. Hess.

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Present law provides that the producer may receive reimbursement from the insured for expenses incurred by the producer directly related to the insurance coverage for the insured. The producer may charge a reasonable agency fee related to the services provided by the producer. Any reimbursement or agency fee shall be itemized separately on an invoice statement. A single invoice may be used to make known all charges. Each such charge must be prominently disclosed and itemized separately on the invoice.

Proposed law retains present law from the reimbursement or agency fee, but excepts any reimbursement or agency fee charged by the producer of a surety bond issued in accordance with the public works law.

Effective July 1, 2022.

(Amends R.S. 22:855(B)(2)(a))