

2022 Regular Session

HOUSE BILL NO. 695

BY REPRESENTATIVE WRIGHT

INSURANCE/HEALTH-ACCID: Provides for health and accident insurance producers and consultants and modifies terminology relative to health and accident insurance

1 AN ACT

2 To amend and reenact R.S. 22:456, 1545(C)(2) and (4) through (6), 1547(F) and
3 (I)(introductory paragraph), 1551(C)(introductory paragraph), (3), and (4),
4 1564(B)(2), 1571(E)(1), 1573(C), (E), and (G), 1575(A)(1),
5 1808.2(C)(2)(introductory paragraph), (3)(introductory paragraph), (4)(introductory
6 paragraph), (5), and (6), and 1808.4(A)(2), relative to insurance producers and
7 consultants; to provide for appointments of producers; to provide for technical
8 corrections relative to examination, licensing, and continuing education of producers
9 and consultants; to modify terminology relative to accident and health insurance; to
10 provide for technical changes; and to provide for related matters.

11 Be it enacted by the Legislature of Louisiana:

12 Section 1. R.S. 22:456, 1545(C)(2) and (4) through (6), 1547(F) and (I)(introductory
13 paragraph), 1551(C)(introductory paragraph), (3), and (4), 1564(B)(2), 1571(E)(1), 1573(C),
14 (E), and (G), 1575(A)(1), 1808.2(C)(2)(introductory paragraph), (3)(introductory
15 paragraph), (4)(introductory paragraph), and (5), (6), and 1808.4(A)(2) are hereby amended
16 and reenacted to read as follows:

17 §456. Producers; appointment

18 A. Any self-insurer who has been issued a certificate of authority ~~under~~
19 pursuant to this Subpart may contract with and appoint as its representatives in this
20 state, as its producer or producers, any person or persons licensed as a ~~life and health~~

1 ~~producer under~~ producer for the line of accident and health or sickness pursuant to
2 Chapter 5 of this Title, R.S. 22:1541 et seq. No solicitation of insurance shall be
3 made by any producer prior to notification of such self-insurer that its appointment
4 has been recorded by the commissioner ~~of insurance~~. If the commissioner has not
5 notified the self-insurer of his disapproval of a particular producer within thirty days
6 after receipt of the self-insurer's appointment of such producer, the producer
7 thereafter may commence solicitation of insurance.

8 B. ~~On or before the first day of March of each year, each self-insurer shall~~
9 ~~submit to the commissioner of insurance by certified mail an alphabetical list of the~~
10 ~~licensed producers which it wishes to appoint, together with a fee of ten dollars for~~
11 ~~each such appointment. Any appointment shall remain in full force and effect until~~
12 ~~the thirtieth day of April following the date of recordation by the commissioner of~~
13 ~~insurance, unless the license of the appointed producer is revoked by the~~
14 ~~commissioner or until cancelled by the self-insurer upon written notice to the~~
15 ~~producer and the commissioner. To appoint a producer as its agent, the self-insurer~~
16 ~~shall file, in a manner prescribed by the commissioner, a notice of appointment~~
17 ~~within fifteen days from the date the agency contract is executed. Each notice of~~
18 ~~appointment shall include the fee in the amount set forth in R.S. 22:821.~~

19 C. ~~Any self-insurer who violates the provisions of this Section shall be fined~~
20 ~~the sum of ten dollars for each producer's appointment received after the first day of~~
21 ~~March of each year. If any producer is operating or intends to operate its business~~
22 ~~affairs as a partnership, corporation, or other business entity, the appointments in this~~
23 ~~Section may be issued by a self-insurer in the name of the partnership, corporation,~~
24 ~~or other business entity if all persons in the partnership, corporation, or other~~
25 ~~business entity hold an active producer license issued in accordance with the~~
26 ~~provisions of Chapter 5 of this Title, R.S. 22:1541 et seq., are registered pursuant to~~
27 ~~R.S. 22:1546(B), and are actively engaged in soliciting, negotiating, or effecting~~
28 ~~contracts of insurance or renewals thereof.~~

1 D. An appointment as provided for in this Section remains effective until the
2 following date of renewal, unless the license of the named appointed producer is
3 revoked by the commissioner as provided for in this Subpart, or until canceled by the
4 self-insurer upon written notice to the producer with a copy thereof filed with the
5 commissioner.

6 E. Appointments for individual producers expire on January 1 of each year
7 and a self-insurer shall submit to the commissioner, in a manner prescribed by the
8 commissioner, a list of appointed individual producers which it intends to reappoint
9 no later than the expiration date of January 1 and the fee in the amount set forth in
10 R.S. 22:821.

11 F. Appointments for a business entity expire on August 1 of each year and
12 a self-insurer shall submit to the commissioner, in a manner prescribed by the
13 commissioner, a list of appointed business entity producers which it intends to
14 reappoint no later than the expiration date of August 1 and the fee in the amount set
15 forth in R.S. 22:821.

16 G.(1) Any self-insurer which issues or delivers a policy or contract of
17 insurance pursuant to the application or request of a producer who is not appointed
18 to represent the self-insurer as a producer shall be deemed to have authorized such
19 producer to act on the self-insurer's behalf. The payment to such a producer shall be
20 payment to the self-insurer with all resultant obligations and duties.

21 (2) This Subsection establishes an agency relationship only for the matter of
22 premiums collected pursuant to the provisions of this Section.

23 * * *

24 §1545. Examination

25 * * *

26 C.

27 * * *

1 (2) This Subsection ~~shall~~ does not apply to any applicant seeking
2 authorization to write industrial fire, limited life, ~~health and~~ accident and health or
3 sickness, surety, surplus lines, or credit insurance business only.

4 * * *

5 (4) A person applying for a license as an insurance producer for
6 authorization to write ~~health and~~ accident and health or sickness insurance and
7 having any of the following designations: Registered Health Underwriter (RHU),
8 Certified Employee Benefit Specialist (CEBS), Registered Employee Benefits
9 Consultant (REBC) or Health Insurance Associate (HIA) ~~shall be~~ is exempt from any
10 prelicensing education requirements.

11 (5) A person applying for a license as an insurance producer for
12 authorization to write property or casualty insurance and having any of the following
13 designations: Accredited Advisor in Insurance Program (AAI), Associate in Risk
14 Management (ARM), Certified Insurance Counselor (CIC) or Chartered Property and
15 Casualty Underwriter (CPCU) ~~shall be~~ is exempt from any prelicensing education
16 requirements.

17 (6) A person applying for a license as an insurance producer to write any line
18 of insurance and having a bachelor's degree or higher from an accredited college or
19 university with major course work in insurance ~~shall be~~ is exempt from any
20 prelicensing education requirements.

21 * * *

22 §1547. License

23 * * *

24 F. The license shall state the name and ~~mailing~~ business address of the
25 licensee, date of issuance, the renewal or expiration date, the line or lines of
26 insurance covered by the license, and such other information as the commissioner
27 ~~of insurance~~ deems necessary.

28 * * *

1 I. Any licensed property and casualty or ~~health and~~ accident and health or
2 sickness insurance producer maintaining an office at a designated location in this
3 state and having at least two years experience in the insurance business with an
4 insurer or as an insurance producer may be licensed as a surplus lines broker as
5 follows:

6 * * *

7 §1551. Exemption from examination

8 * * *

9 C. The following resident applicants ~~shall be~~ are exempt from the
10 requirement of an examination:

11 * * *

12 (3) Any applicant ~~who shall be~~ licensed to act only as a producer with
13 respect to life, ~~health, and~~ or accident and health or sickness insurance on borrowers
14 or debtors or with respect to property and casualty insurance on collateral and
15 involuntary unemployment, commonly known as credit insurance.

16 (4) Any applicant ~~who shall be~~ licensed to act only as a producer with respect
17 to travel insurance.

18 * * *

19 §1564. Producers of record

20 * * *

21 B.

22 * * *

23 (2) Except as provided in Paragraph (1) of this Subsection upon the specific,
24 written instruction of the insured, no insurer or producer shall cancel and rewrite any
25 ~~such contracts~~ insurance contract during the term of ~~such~~ the contract or until the
26 renewal date of the contract, whichever occurs first, which would change the
27 producer of record.

28 * * *

1 §1571. Registered insurance producer and bail bond producer precicensing program

2 * * *

3 E.(1) Each registered insurance producer precicensing program for lines
4 other than bail bonds shall provide instruction by a qualified instructor in a structured
5 setting or by verifiable approved self-study with a minimum of twenty hours of
6 supervised instruction or self-study, including instruction in applicable insurance
7 principles, state laws and regulations, and ethical practices, for each of the following
8 lines of authority a license is sought: life, ~~health and~~ accident and health or sickness,
9 property, casualty, title, and personal lines.

10 * * *

11 §1573. Continuing education requirements

12 * * *

13 C. Life insurance producers and consultants and ~~health~~ accident and health
14 or sickness insurance producers and consultants shall complete twenty-four hours of
15 approved instruction or verifiable approved self-study prior to each renewal of
16 license, with at least three hours dedicated to the subject of ethics. A person who
17 holds a combination of life or ~~health~~ accident and health or sickness insurance
18 producer licenses and life or ~~health~~ accident and health or sickness consultant
19 licenses shall complete a total of twenty-four hours of approved instruction or
20 verifiable approved self-study, with at least three hours dedicated to the subject of
21 ethics.

22 * * *

23 E. For producers authorized to write life, ~~health and~~ or accident and health
24 or sickness insurance and also authorized to write property, casualty, or property and
25 casualty or personal lines insurance business, and consultants authorized to consult
26 on life, ~~health and~~ or accident and health or sickness insurance and also authorized
27 to consult on property, casualty, or property and casualty or personal lines insurance
28 business, the continuing education requirement for renewal of license ~~shall be~~ is
29 twenty-four hours of approved instruction or verifiable approved self-study with at

1 least three hours of approved instruction or verifiable approved self-study dedicated
 2 to the subject of ethics and three hours dedicated to the subject of flood insurance.
 3 Persons who hold a combination of life, ~~health and~~ accident and health or sickness,
 4 property, casualty, or property and casualty insurance producer licenses and life,
 5 ~~health and~~ accident and health or sickness, property, casualty, or property and
 6 casualty consultant licenses shall complete a total of twenty-four hours of approved
 7 instruction or verifiable approved self-study, with at least three hours dedicated to
 8 the subject of ethics and three hours dedicated to the subject of flood insurance.

9 * * *

10 G. Producers and consultants licensed for life, ~~health and~~ accident and health
 11 or sickness, property, casualty or personal lines may carry over no more than ten
 12 excess hours of approved insurance instruction accumulated during one renewal
 13 period to be applied to the continuing education requirement for the next renewal
 14 period.

15 * * *

16 §1575. Producer training requirements to sell long-term care insurance

17 A.(1) An individual shall not sell, solicit, or negotiate long-term care
 18 insurance unless the individual is licensed as an insurance producer for ~~health and~~
 19 ~~accident or life~~ or accident and health or sickness and has completed a one-time
 20 training course. The training shall meet the requirements set forth in Subsection B
 21 of this Section.

22 * * *

23 §1808.2. Examination

24 * * *

25 C.

26 * * *

1 (2) A person applying for a license as an insurance consultant for
2 authorization to consult on life insurance ~~shall be~~ is exempt from any prelicensing
3 education requirements if he has one of the following designations:

4 * * *

5 (3) A person applying for a license as an insurance consultant for
6 authorization to consult on ~~health and accident~~ and health or sickness insurance ~~shall~~
7 be is exempt from any prelicensing education requirements if he has one of the
8 following designations:

9 * * *

10 (4) A person applying for a license as an insurance consultant for
11 authorization to consult on property or casualty insurance ~~shall be~~ is exempt from
12 any prelicensing education requirements if he has one of the following designations:

13 * * *

14 (5) A person applying for a license as an insurance consultant to consult on
15 any line of insurance and having a bachelor's degree or higher from an accredited
16 college or university with major course work in insurance ~~shall be~~ is exempt from
17 any prelicensing education requirements.

18 (6) A person who already holds an insurance producer license for a line of
19 business ~~shall be~~ is exempt from any prelicensing education and examination
20 requirements for an insurance consultant license for the same line of business.

21 * * *

22 §1808.4. License

23 A. Unless denied licensure pursuant to R.S. 22:1808.8, persons who have
24 met the requirements of this Part shall be issued an insurance consultant license. An
25 insurance consultant may receive qualification for a license in one or more of the
26 following lines of authority:

27 * * *

1 (2) ~~Health and accident~~ Accident and health or sickness, which provides
2 insurance coverage for sickness, bodily injury, or accidental death, and may include
3 benefits for disability income.

4 * * *

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 695 Original 2022 Regular Session Wright

Abstract: Provides for health and accident insurance producers and consultants and changes the term "health and accident" to "accident and health or sickness".

Present law provides for health and accident insurance. Proposed law changes the terminology from health and accident to accident and health or sickness insurance, but maintains the meaning of such insurance in present law.

Present law authorizes a self-insurer who has been issued a certificate of authority in accordance with present law (R.S. 22:1541 et seq.) to contract with and appoint, as its producer or producers, any person or persons licensed as a life and health producer. Requires the appointed producer to receive notification that its appointment has been recorded by the commissioner prior to making solicitations of insurance. Further authorizes the producer to begin solicitation of insurance if the commissioner has not notified the self-insurer of the commissioner's disapproval of the producer within 30 days after receipt of the self-insurer's appointment of the producer. Proposed law retains present law.

Present law requires a self-insurer to submit to the commissioner by certified mail an alphabetical list of the licensed producers it wishes to appoint, together with a \$10 fee for each appointment, by March 1 of each year. Requires any appointment to remain effective until the 30th day of April following the date of recordation by the commissioner, unless the commissioner revokes the license of the appointed producer or until canceled by the self-insurer through its written notice to the producer and the commissioner. Proposed law deletes present law.

Proposed law requires a self-insurer to file a notice of appointment in a manner prescribed by the commissioner within 15 days from the date the agency contract is executed. Requires each notice of appointment to include the fee as prescribed in present law (R.S. 22:821).

Present law assesses a self-insurer a fine of \$10 for each producer's appointment submitted and untimely received by the commissioner after March 1 of each year. Proposed law deletes present law.

Proposed law provides that if any producer is operating or intends to operate as a partnership, corporation, or other business entity, the appointments in present and proposed law may be issued by a self-insurer in the name of the partnership, corporation, or other business entity if all persons hold an active producer license and are actively engaged in soliciting, negotiating, or effecting contracts of insurance or renewals.

Proposed law provides for appointments to remain effective until the following date of renewal, unless the license of the named appointed producer is revoked by the commissioner or until canceled by the insurer through written notice to the producer and the commissioner.

CODING: Words in ~~struck through~~ type are deletions from existing law; words underscored are additions.

Proposed law provides that appointments for individual producers expire on January 1 of each year and requires a self-insurer to submit to the commissioner, in a manner prescribed by the commissioner, a list of appointed individual producers which it intends to reappoint no later than the expiration date of Jan. 1 and the fee in the amount set forth in present law (R.S. 22:821).

Proposed law provides that appointments for a business entity expire on August 1 of each year and requires a self-insurer to submit to the commissioner, in a manner prescribed by the commissioner, a list of appointed business entity producers which it intends to reappoint no later than the expiration date of August 1 and the fee in the amount set forth in present law (R.S. 22:821).

Proposed law provides that if a self-insurer issues or delivers a policy or contract of insurance pursuant to the application or request of a producer who is not appointed to represent the self-insurer as a producer, the self-insurer is deemed to have authorized such producer to act on the insurer's behalf. Provides that payment to the producer is payment to the self-insurer with all resultant obligations and duties.

Proposed law establishes an agency relationship for premiums collected pursuant to present and proposed law (R.S. 22:456).

Proposed law makes technical changes.

(Amends R.S. 22:456, 1545(C)(2) and (4)-(6), 1547(F) and (I)(intro. para.), 1551(C)(intro. para.), (3), and (4), 1564(B)(2), 1571(E)(1), 1573(C), (E), and (G), 1575(A)(1), 1808.2(C)(2)(intro. para.), (3)(intro. para.), (4)(intro. para.), (5), and (6), and 1808.4(A)(2))