
DIGEST

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HB 695 Engrossed

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 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 appointments to remain effective until the 30th day of April following the date of recordation by the commissioner, unless the appointment is revoked by the commissioner or 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 prescribed in present law (R.S. 22:821).

Present law assesses a self-insurer a \$10 fine for each producer's appointment 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 in such partnership, corporation, or business entity actively engaged in soliciting, negotiating, or effecting contracts of insurance or renewals holds an active producer license and are registered in accordance with present and proposed law.

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.

Proposed law provides that appointments for individual producers expire on January 1 of each year. 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 by the expiration date of Jan. 1, including the fee prescribed 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 prescribed 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).

Present law prohibits an insurer or producer from canceling or rewriting certain contracts which would change the producer of record during the term of the contract. Proposed law modifies present law by authorizing such alterations to a contract upon specific, written instruction of the owner of the policy or the first-named insured on the policy.

Proposed law makes technical changes.

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

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Insurance to the original bill:

1. Specify that written instruction of the owner of the policy or the first-named insured on the policy is required to alter a contract that would change the producer of record during the term of the contract.
2. Make technical changes to remove sections of present law and modify language to improve readability.