
DIGEST

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HB 746 Reengrossed

2016 Regular Session

Thibaut

Abstract: Provides for licensing and regulation of insurance consultants by the commissioner of insurance.

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

Proposed law establishes fees for the initial license and for each renewal. Further provides for continuing education requirements and prelicensing education requirements.

Proposed law creates reciprocity with other states for nonresident insurance consultants.

Proposed law requires an insurance consultant's compensation to be set forth in a written agreement. Further prohibits an insurance consultant from receiving commissions.

Proposed law requires an applicant to pass a written exam for each line of insurance that he wishes to be licensed for. Further 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.

Proposed 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.

Proposed law authorizes civil and criminal penalties for certain conduct, including suspension or revocation of license, civil fines, criminal fines, and imprisonment.

(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)

Summary of Amendments Adopted by House

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

1. Require licensed consultants to take three hours dedicated to the subject of flood insurance as part of their yearly continuing education requirements.
2. Allow only ten hours of excess hours of continuing education requirements be carried

over yearly for all lines of consulting licenses.

3. Exempt insurance providers providing consulting as part of the placement of coverage and loss control and accident prevention consultants from requirement to obtain consulting license.
4. Restore language inadvertently removed from bill prior to filing regarding necessity for written contract between the consultant and the party receiving the consulting services.
5. Make technical changes.

The Committee Amendments Proposed by House Committee on House and Governmental Affairs to the engrossed bill:

1. Change document required to accompany notification of use of a trade name from a letter of registration of the name to a certified copy of the registration.