

Regular Session, 2010

SENATE BILL NO. 116

BY SENATOR LONG

INSURERS. Provide for biannual renewal of surplus lines broker license, commissions and continuing education hours. (8/15/10)

1 AN ACT

2 To amend and reenact R.S. 22:1547(I)(2) and 1573(G) and to enact R.S. 22:1557(A)(4) and
3 1574, relative to insurance producers; to provide with respect to biannual renewal of
4 surplus lines broker license; to provide for commissions; to provide for carry forward
5 of continuing education hours; to provide for producer training requirements to sell
6 long-term care insurance and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1547(I)(2) and 1573(G) are hereby amended and reenacted and
9 R.S. 22:1557(A)(4) and 1574 are hereby enacted to read as follows:

10 §1547. License

11 * * *

12 I. Any licensed property and casualty insurance producer maintaining an
13 office at a designated location in this state and having at least two years experience
14 in the insurance business with an insurer or as an insurance producer may be licensed
15 as a surplus lines broker as follows:

16 * * *

17 (2) The applicant must submit the required license fee, as authorized by R.S.

1 22:821, for each license year during any part of which the license is in effect. The
2 license shall remain in force until the ~~annual~~ **biannual** renewal date.

3 * * *

4 §1557. Commissions

5 A.

6 * * *

7 **(4) An insurance producer may pay or assign commissions, service fees,**
8 **brokerage fees or other valuable consideration to an insurance agency or to**
9 **persons who are not licensed as producers in Louisiana but are licensed in their**
10 **state of domicile and act only to assist producers licensed in this state in placing**
11 **business with insurers authorized to do business in this state.**

12 * * *

13 §1573. Continuing education requirements

14 * * *

15 G. No more than ten excess hours of approved property and casualty
16 insurance instruction and no more than ~~six~~ **ten** excess hours of approved life, health,
17 and accident insurance instruction accumulated during the previous renewal period
18 may be carried forward and applied to the continuing education requirement for the
19 next renewal period.

20 * * *

21 **§1574. Producer training requirements to sell long-term care insurance**

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

26 **(2) An individual already licensed and selling, soliciting or negotiating**
27 **long-term care insurance on August 15, 2010 may not continue to sell, solicit or**
28 **negotiate long-term care insurance unless the individual has completed a one-**
29 **time training course as set forth in Subsection B of this Section, within one year**

1 from August 15, 2010.

2 (3) In addition to the one-time training course required in Paragraphs
3 (1) and (2) above, an individual who sells, solicits or negotiates long-term care
4 insurance shall complete ongoing training as set forth in Subsection B of this
5 Section.

6 (4) The training requirements of Subsection B of this Section may be
7 approved as continuing education courses under R.S. 22:1573.

8 B. (1) The one-time training required by this Section shall be no less than
9 eight hours and the ongoing training required by this Section shall be no less
10 than four hours every two years.

11 (2) The training required under Paragraph (1) of this Subsection shall
12 consist of topics related to long-term care insurance, long-term care services
13 and, if applicable, qualified state long-term care insurance partnership
14 programs, including, but not limited to:

15 (a) State and federal regulations and requirements and the relationship
16 between qualified state long-term care insurance partnership programs and
17 other public and private coverage of long-term care services, including
18 Medicaid;

19 (b) Available long-term services and providers;

20 (c) Changes or improvements in long-term care services or providers;

21 (d) Alternatives to the purchase of private long-term care insurance;

22 (e) The effect of inflation on benefits and the importance of inflation
23 protection; and

24 (f) Consumer suitability standards and guidelines.

25 (3) The training required by this Section shall not include training that
26 is insurer or company product specific or that includes any sales or marketing
27 information, materials, or training, other than those required by state or federal
28 law.

29 C. (1) Insurers shall obtain verification that a producer receives training

1 required by Subsection A of this Section before a producer is permitted to sell,
 2 solicit or negotiate the insurer's long-term care insurance products, maintain
 3 records subject to the state's record retention requirements, and make such
 4 verification available to the commissioner upon request.

5 (2) Insurers shall maintain records with respect to the training of its
 6 producers concerning the distribution of its partnership policies that will allow
 7 the state insurance department to provide assurance to the state Medicaid
 8 agency that producers have received the training contained in Subparagraph
 9 (B)(2)(a) of this Section as required by Subsection A of this Section and that
 10 producers have demonstrated an understanding of the partnership policies and
 11 their relationship to public and private coverage of long-term care, including
 12 Medicaid, in this state. The aforementioned records shall be maintained in
 13 accordance with the state's record retention requirements and shall be made
 14 available to the commissioner upon request.

15 D. The satisfaction of said training requirements in any state shall be
 16 deemed to satisfy the training requirements in this state.

The original instrument and the following digest, which constitutes no part of the legislative instrument, were prepared by Cheryl Horne.

DIGEST

Present law requires and applicant for a surplus lines broker license to submit the required license fee for each license year during any part of which the license is in effect. Requires the license to remain in force until the annual renewal date.

Proposed law changes the license to remain in force until the biannual renewal date.

Proposed law permits an insurance producer to pay or assign commissions, service fees, brokerages or the valuable consideration to an insurance agency or to persons who are not licensed as producers in the state but are licensed in their state of domicile and who acts only to assist licensed producers in placing business with insurers authorized to do business in the state.

Present law provides that no more than ten excess hours of approved property and casualty insurance instruction and no more than six excess hours of approved life, health, and accident insurance instruction to be carried forward and applied to the continuing education requirement for the next renewal period.

Proposed law changes the amount of approved life, health and accident insurance instruction to be carried forward to ten excess hours.

Proposed law prohibits an individual from selling, soliciting, or negotiating long-term care insurance unless the individual is licensed as an insurance producer for health and accident or life and has completed a one-time training course.

Proposed law prohibits an individual already licensed and selling long-term care insurance on the effective date of this Act from continuing to sell, solicit or negotiate long-term care insurance unless the individual has completed a one-time training course within one year from August 15, 2010. Requires the one-time training course to be no less than eight hours and ongoing training of no less than four hours every two years.

Proposed law requires the training by a an individual who sells, solicits or negotiates long-term care insurance to consist of topics related to long-term care insurance partnership programs, including, but not limited to:

- (a) State and federal regulations and requirements and the relationship between qualified state long-term care insurance partnership programs and other public and private coverage of long-term care services, including Medicaid;
- (b) Available long-term services and providers;
- (c) Changes or improvements in long-term care services or providers;
- (d) Alternatives to the purchase of private long-term care insurance;
- (e) The effect of inflation on benefits and the importance of inflation protection; and
- (f) Consumer suitability standards and guidelines.

Proposed law prohibits the required training to include training that is insurer or company product specific or that includes any sales or marketing information, materials, or training, other than those required by state or federal law.

Proposed law requires insurers to obtain verification that a producer receives the required training before being permitted to sell, solicit or negotiate the insurer's long-term care insurance products, maintain records subject to the state's record retention requirements, and make that verification available to the commissioner upon request.

Proposed law requires satisfaction of these training requirements in any state to be deemed to satisfy the training requirements in this state.

Effective August 15, 2010.

(Amends R.S. 22:1547(I)(2) and 1573(G); Adds R.S. 22:1557(A)(4) and 1574)