



LOUISIANA INSURERS' CONFERENCE
ANNUAL LOUISIANA INSURANCE COMPLIANCE SEMINAR &
LEGISLATIVE REVIEW

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LIC is Charting the Course

Producer Licensing Updates

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Producer Licensing Updates

Implementation of 2016 Legislation

Getting Back on Course



Producer Licensing Updates

Act 72 (HB 932)

- Effective upon signature 5/10/16.
- Reinstated the CE exemption for producers who are age 65 and have been licensed for 15 years or more.



Producer Licensing Updates

Act 315 (HB 865)

- Effective upon signature 6/2/16.
- Removed the requirement for an application to be filed prior to testing.
 - **Exception!! Bail Bonds**
- Added the affiliations of unlicensed officers/directors and persons with 10% control.
- Specifies that name changes must be submitted within 30 days.



Producer Licensing Updates

Act 315 (HB 865)

- Restrictions on unlicensed owners/officers with criminal or administrative actions in their background.
 - Grounds to revoke/suspend/deny agency license.
 - Prohibition on distribution of agency profits.



Producer Licensing Updates

Act 174 (SB 266)

- Effective 8/1/16.
- Adds Workers' Compensation as an adjuster line of authority.
 - Removes the exemption effective 8/1/17.
 - Exam waiver option for experience available until 8/1/17.
- Renames “Comprehensive” to “Property & Casualty.”



Producer Licensing Updates

Act 174 (SB 266)

- Reinstatement period changed to 2 years.
- Clarified trade name requirements and exam exemptions.



Producer Licensing Updates

Act 258 (HB 798)

- Effective 8/1/16.
- Creates the limited line of Self Storage.
- Available for self storage business entities.
- No individual license requirement; however training must be provided.
- Requires appointment prior to license issuance.



Producer Licensing Updates

Act 312 (HB 746)

- Effective 8/1/16.
- Will require licensure of consultants.
- "Insurance consultant" means any person or entity which offers for a fee or other valuable consideration any advice, counsel, opinion, or related services with respect to risk evaluation or management, the benefits, coverages, exclusions, or provisions under any policy of insurance to be issued in this state, or involving the advantages or disadvantages of any such policy of insurance, or any formal plan of managing risk.



Hot Topics

Act 312 (HB 746)

- Individual and business entity licenses issued for Life, A&H, Property, Casualty and Variable Contracts.
- License requirements identical to producers. Same prelicensing education, exam, CE, renewals.
- Can be licensed as a consultant and a producer at the same time; however, cannot be both to the same client.
- Requires a disclosure agreement and contract to offer consulting services.

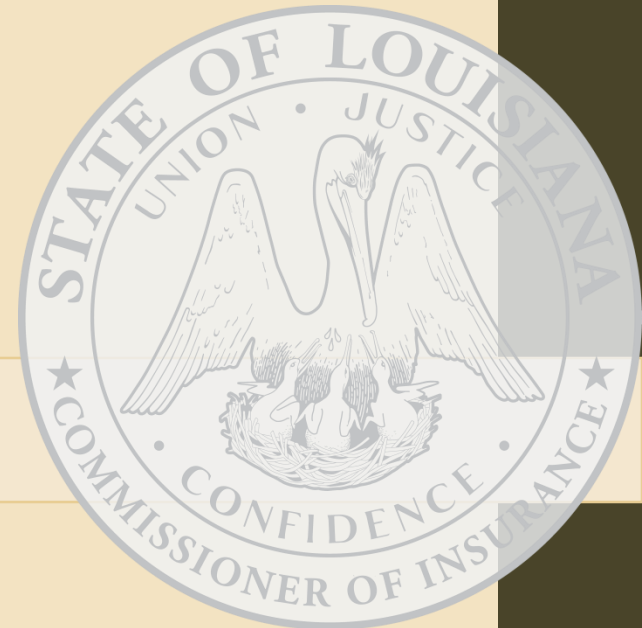


Producer Licensing Updates

Act 142 (HB 663)

- Effective 8/1/16.
- Requires the insurance company to provide non-captive producers with 180 days notice prior to the termination of the appointment.
- Further requires an insurer who has terminated a non-captive producer's appointment to renew all contracts of insurance written by the producer for 180 days from the notice of termination and to pay the producer commissions for the renewals.
- Does not apply to captive or if termination is for cause, license loss, mutual agreement, or other specified grounds.

Getting Back on Course





Getting Back on Course

Agency Affiliations

- Advisory Letter 2016-02 was issued on July 7 to address significant amount of non-compliance with affiliation of licensed personnel.
- Letter further addressed the new requirement to affiliate unlicensed officers/owners.



Getting Back on Course

Branch Office Notifications

- A business entity which holds an insurance producer license must notify the Department of the addition of a branch location within thirty days of the date of opening the location.
- Added via Producer Portal in Industry Access.



Getting Back on Course

Trade Names

- Trade names must be registered with LDI prior to use.



Getting Back on Course

License Processing Pain Points

- Per week average:
 - 113 resident applications
 - 461 nonresident application (50 will have a BG disclosure)
 - 268 claims adjuster applications
 - 1690 renewal applications
 - 26 CE course approval submissions
- This does not include fingerprint reviews, license maintenance filings, investigations, amendments, refunds and rejected payments or other filings from 188,000 + actively licensed producers and adjusters.



Getting Back on Course

License Processing Pain Points

- Paper forms submitted that are incomplete or illegible.
- Listing employer/supervisor email address in place of applicant personal email on the application.
- Calling to see if we “got your email”.

Questions?

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