

# TECHNICAL ADVISORY

## INDEPENDENT INSURANCE AGENTS OF LOUISIANA

TA 140

June 29, 1999

**SUBJECT:** Louisiana Guidelines -  
Violent Crime Control and Law Enforcement Act of 1994

**BACKGROUND:** Refer to IIAL Technical Advisory #138 (April 6, 1999), for a detailed analysis of how this Federal law applies to the insurance industry. Specifically, the Act makes it illegal for anyone to engage in the insurance business after being convicted of a felony involving a breach of trust or dishonesty. The Act also makes it a crime for anyone to “willfully” permit such a felon to participate in the insurance business. The only exception to these restrictions is if the Louisiana Department of Insurance waives the ineligibility of such a felon.

**MAIN POINTS:** The Louisiana Department of Insurance has just released Bulletin #99-01, which outlines the guidelines for granting consent to “prohibited persons” (those convicted of a felony involving dishonesty or breach of trust) to engage in the insurance business. A copy of Bulletin #99-01 is attached to this Technical Advisory.

It is important to note that all insurance-related employers (companies, agencies, brokers, consultants, third party administrators, managing general agents, etc.) have a legal responsibility under the Act to make a diligent effort to ensure that no “prohibited person” is engaged in conducting any insurance activities on their behalf. Penalties for noncompliance include a fine of up to \$50,000 and up to 15 years in prison.

The guidelines in the Bulletin #99-01 should be followed by individuals and employers when seeking an exemption for persons who have been convicted of a felony involving dishonesty or a breach of trust, who wish to engage in insurance activities of any kind in Louisiana.

**NECESSARY  
ACTION:**

This Technical Advisory, along with Technical Advisory #138, should be **carefully** reviewed by all levels of management.