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Subject: Louisiana's New Continuing Education (CE) and Licensing Law

Background: Insurance has historically been a highly regulated business. For the most part, the regulation of insurance has been done at the state level. Not that there haven't been challenges to state regulation. Following an adverse 1944 U.S. Supreme Court case on the issue of whether or not insurance sold across state lines constituted interstate commerce (*United States vs. South-Eastern Underwriters*), Congress passed the landmark McCarran-Ferguson Act in 1945 (named for Senator Patrick McCarran of Nevada – namesake of McCarran International Airport in Las Vegas – and Senator Homer Ferguson of Michigan). The McCarran-Ferguson Act essentially put the regulation of insurance under state control.

Another issue which has sparked debate over federal vs. state control of insurance is banks selling insurance. A 1916 Federal statute permitted national banks to sell insurance in small towns (with a population of less than 5,000). In 1993, Barnett Bank purchased an insurance agency in Florida, and began selling insurance. The case drew national attention. Florida had a statute prohibiting banks from selling insurance, and thus argued that McCarran-Ferguson supported their position, while Barnett contended that the 1916 Federal statute should prevail over state law. The case finally went before the U.S. Supreme Court, which ruled in favor of Barnett Bank in 1996.

The most recent major change to the landscape was the passage of the Gramm-Leach-Bliley Act (GLBA) in 1999. It set forth sweeping (GLBA is 144 pages long) changes in the financial services world, and is often referred to as the "Financial Services Modernization Act." One of the changes that directly and almost immediately affected insurance agencies (and all other financial services) was the requirement for an annual Privacy Notice to customers. For a detailed discussion of this issue, see Technical Advisory #184, posted on the IIABL web site.)

Among other major changes, GLBA not only reaffirmed the essence of the Barnett decision (national banks could sell insurance in communities of less than 5,000), it

removed barriers in the Bank Holding Company Act of 1956 and the National Bank Act, to more broadly allow banks to sell insurance.

On a broader perspective, as the debate surrounding the development of the specific provisions of GLBA moved through the legislative process, it proved to be another contentious battle over state vs. federal control of insurance. In the end, numerous compromises were made. Importantly for the insurance industry, Section 104(a) of the GLBA says that *“the McCarran-Ferguson Act remains the law of the United States.”* One effect of this was that while banks could sell insurance, they were subject to state insurance regulation.

However, given the often crazy-quilt and protective state insurance regulations that reflected state control of insurance, GLBA mandated a lifting of most state barriers to nonresident agents, streamlining and more uniform licensing of resident and nonresident agents, and numerous other requirements regarding licensing, continuing education, and so forth. At the same time, compliance with these new requirements was allowed to be met by the states through voluntary acceptance of certain approved standards; or, failing that, through forced acceptance of federally mandated rules, through the creation of a federal regulatory body called the National Association of Registered Agents and Brokers (NARAB).

Two of the fundamental requirements placed on states were reciprocity and uniformity. One of the first steps that were taken by most states was acceptance of the Uniform Treatment Declaration, which was intended to afford nonresident producers the same treatment as resident producers. Louisiana signed the Declaration in early 2000. The preceding year, the 1999 Louisiana Legislature had eliminated the state’s countersignature law (Act 882). In the 2001 Legislative Session, significant portions of Louisiana’s insurance licensing statutes were revised to comply with the NAIC recommended guidelines outlined in the NAIC Uniform Producer Model Act. (For complete details, see Technical Advisory #201, posted on the IIABL web site.)

Main Points: In the 2009 Legislative Session, Louisiana adopted the NAIC Producer Licensing Model Act (SB 156, passed as Act 485 – effective January 1, 2010). In the IIABL 2009 Legislative Report, the legislation was summarized this way:

“SB 156 is Commissioner Donelon’s bill to adopt the NAIC Producer Licensing Model Act. In an effort to streamline multistate licensing, and forestall federal regulation of insurance, insurance commissioners nationwide are adopting the NAIC Producer Licensing Model Act. The bill has pros and cons for producers, but on balance is acceptable, and is the standard that all states are adopting, therefore IIABL and all other insurance producer associations supported the bill.”

Important notes: (1) While Act 485 becomes effective January 1, 2010, specific provisions will be implemented in stages over the course of the next two years. See details below. (2) The Louisiana Department of Insurance recently issued some FAQ guidelines outlining the details of when and how various provisions of Act 485 will be put into effect. Excerpts from the LDI guidelines are included in this Technical Advisory.

This Technical Advisory is divided into three main parts:
Part 1 – Licensing Changes
Part 2 – Continuing Education (CE) Changes
Part 3 – Excerpts of the relevant statutory changes

Part 1 - Licensing Changes

There are a number of changes regarding licensing, including: (1) pre-licensing; (2) application for license; (3) licenses/lines of authority; and (4) exemptions from the licensing exam. Information in [brackets] is the specific statute relevant to the issue. See **Part 3** for the actual statutory language.

1. Pre-Licensing [22:1545.C] [22:1571] Key changes: (1) The number of pre-licensing education course hours is changed to 20 hours for each of the major lines of authority for which a license is sought: 1)Life; 2)Health & Accident; 3)Property; 4) Casualty; and 5)Personal Lines. (2) The current pre-licensing requirement of 16 hours for life or health and accident, or 32 hours for other lines, is withdrawn. (3) Pre-licensing education course may be taken in a classroom setting or self-study. (4) Current exemptions from the requirement to take a pre-licensing course are changed. (5) New exemptions from the requirement to take a pre-licensing course are added.

Guidelines from the Louisiana Department of Insurance:

- Q.** Are there any changes in **pre-licensing education** requirements?
- A.** Yes, applicants for 1)Life, 2) Health & Accident, 3) Property, 4) Casualty and 5)Personal Lines are now required to complete 20 hours of pre-licensing education per each of these lines of insurance. These hours may be obtained either by a qualified instructor in a structured setting (live course) or by verifiable self-study effective 1/1/2010.(See Rule 9).
- Q.** Can I be exempt from **pre-licensing education** requirements if I hold a designation or have a degree?
- A.** Yes, the following designations are exempt from pre-licensing education requirements:
- Life – Certified Employee Benefit Specialist (CEBS), Chartered Financial Consultant (ChFC), Certified Insurance Counselor (CIC), Certified Financial Planner (CFP), Chartered Life Underwriter (CLU), The Fellow Life Management Institute (FLMI) and the LUTC Fellow Designation (LUTCF).
 - Health & Accident – Registered Health Underwriter (RHU), Certified Employee Benefit Specialist (CEBS), Registered Employee Benefits Consultant (REBC) and Health Insurance Associate (HIA)
 - Property & Casualty – Accredited Advisor in Insurance Program (AAI), Associate in Risk Management (ARM), Certified Insurance Counselor (CIC) and Chartered Property and Casualty (CPCU)
 - Or a bachelor's degree or higher from an accredited college or university with major course work in insurance

2. Application for license [22:1546] Key changes: (1) Fingerprinting and criminal background checks will be done on all newly licensed producers starting January 1, 2010.

Guidelines from the Louisiana Department of Insurance:

- Q.** Do Resident Producers and Adjusters need to be fingerprinted?
- A.** Yes, effective 1/1/2010 all **NEW** resident producers and adjusters will be required to be fingerprinted and a criminal background check performed as part of the license application requirements. This requirement does not apply to existing licensed producers and adjusters.

An applicant's fingerprints and any criminal history record information obtained under this provision are confidential, and shall be exempt from the public records law (R.S.44:1 et seq.) They are not admissible as evidence in any civil or criminal proceedings.

3. Licenses/Lines of Authority [22:1547] Key changes: (1) A new Personal Lines license is being introduced. (2) The types of currently available licenses are being revised, and some phraseology is being changed to comport with the NAIC Producer Licensing Model Act.

Guidelines from the Louisiana Department of Insurance:

- Q.** Are there any changes to the lines of authority for producers?
- A.** Yes, the following are changes in lines of authority:
- Variable annuity now includes variable life.
 - Credit is now a combination of credit life, credit health & accident and credit property.
 - Travel now includes both lines of travel and baggage.
 - Surety no longer includes Fidelity. Fidelity LOA will now be part of the Casualty LOA.
 - Limited Life, Health & Accident replaces Industrial Life, Health & Accident and Home Service. This line now limits the amount of life insurance for this line not to exceed \$30,000.

4. Exemption from licensing examination [22:1551.C] Key changes: (1) The current exemptions from taking the licensing exam are being withdrawn for those holding specified insurance designations, to comport with the guidelines in the NAIC Producer Licensing Model Act. (2) Other minor changes are also being made.

Guidelines from the Louisiana Department of Insurance:

- Q.** Can I be **exempt** from taking the Louisiana Producer **examination**?
- A.** Yes, the following resident applicants shall be exempt from the examination requirements:
- Producers reinstating a license within five years from the date of expiration of the previous license **unless** the previous license was revoked or suspended, or renewal was refused by the commissioner.
 - An applicant for a limited life, health and accident license.
 - An applicant for a credit license.
 - An applicant for a travel license.
- Q.** Are there any **exemptions from the examination** requirements that **no longer apply**?
- A.** Individuals who hold the designations of Chartered Life Underwriter (CLU) and Chartered Property and Casualty Underwriter (CPCU) will no longer be exempt from the Louisiana Producer examination.

Part 2 - Continuing Education Changes

There are a number of changes regarding the required number of CE hours and other requirements for: (1) P&C license only. (2) Combination PC & LH&A licenses. (3) LH&A license only. (4) Age 65 exemption. (5) Birth Month Renewal Conversion process.

Information in [brackets] is the specific statute relevant to the issue. See **Part 3** for the actual statutory language.

1. CE requirements – PC license only. [22:1573.D.] Key changes: (1) No changes in the number of CE hours needed (24). (2) All CE hours can be achieved through classroom instruction or verifiable approved self-study. (3) With renewals starting in 2013, 3 hours of ethics and 3 hours of approved flood instruction must be included in the required 24 hours of CE.

Guidelines from the Louisiana Department of Insurance:

Q. Have the CE hourly requirements changed?

A. Yes, effective 1/1/2010 there are changes to the hours required and methods of completion for continuing education hours.

All **Property & Casualty Producers and All Adjuster licenses** are due to expire on April 30, 2011. In order to convert these licensees to birth months, the renewals for the Property & Casualty Producers and All Adjusters will start on April 1, 2010 for those individuals whose birth month is May and will continue through April 2011. All Property & Casualty producers and all Adjusters will be required to have 24 hours of continuing education. These hours can be live, correspondence, or carryover. **Once the license has been renewed it will change the valid through date to be the last day of the birth month, 2013.**

With the 2013 Property & Casualty renewals which will be processed on birthday months from January, 2013 to December 2013, all property and casualty producers and all adjusters will be required to complete 24 hours of continuing education hours with at least three hours dedicated to the subject of ethics and three hours dedicated to flood insurance. These hours can be completed by attending courses given by a qualified instructor in a structured setting (live), verifiable self-study or correspondence (See Rule 10).

As the department is in the process of changing all producer/adjusters license to renew during their birth month, please be advised that some CE hourly requirements that changed with Act 485 will not take effect until the 2011 Property & Casualty renewal cycle that will begin processing in April 2010. The Life, Health & Accident renewals currently in progress are not affected by Act 485. Please see **Birth Month Renewal Conversion** at the end of the FAQ's

The producer's CE hours must be completed and visible on the website prior to renewing the license.

2. CE requirements – Combination PC & LH&A licenses [22:1573.E.] Key changes: (1) CE hours revised to 24 from 32, with no specific requirement as to how many must be in LH&A or PC (previously, the requirement was 12 CE hours in LH&A and 20 in PC). (2) All CE hours can be achieved through classroom instruction or verifiable approved self-study. (3) With renewals starting in 2013, 3 hours of ethics and 3 hours of approved flood instruction must be included in the required 24 hours of CE. (4) Producers with combination PC and LH&A licenses must complete 24 hours of continuing education with each PC license renewal. They must renew their LH&A license separately, but no additional continuing education hours are required for the LH&A renewal.

Guidelines from the Louisiana Department of Insurance:

Q. Have the CE hourly requirements changed?

A. Yes, effective 1/1/2010 there are changes to the hours required and methods of completion for continuing education hours.

If a producer holds a **combination Property & Casualty and Life, Health & Accident license** 24 hours of continuing education are required for the 2011 Property & Casualty renewal which will be processed on birthday months from May 2010 through April, 2011. These hours can be Property & Casualty or Life, Health & Accident. These hours can be completed by attending courses given by a qualified instructor in a structured setting (live), verifiable self-study or correspondence (See Rule 10). **There is no longer a reduction to 20 hours if you hold both lines of authority. The producer with combined licenses who has complied with the Property & Casualty continuing education requirements will not need to meet any additional continuing education requirements for the Life, Health & Accident license renewal.**

With the 2013 Property & Casualty renewals which will be processed on birthday months from January, 2013 to December 2013, all property and casualty producers and all adjusters will be required to complete 24 hours of continuing education hours with at least three hours dedicated to the subject of ethics and three hours dedicated to flood insurance. These hours can be completed by attending courses given by a qualified instructor in a structured setting (live), verifiable self-study or correspondence (See Rule 10).

As the department is in the process of changing all producer/adjusters license to renew during their birth month, please be advised that some CE hourly requirements that changed with Act 485 will not take effect until the 2011 Property & Casualty renewal cycle that will begin processing in April 2010. The Life, Health & Accident renewals currently in progress are not affected by Act 485. Please see **Birth Month Renewal Conversion** at the end of the FAQ's

The producer's CE hours must be completed and visible on the website prior to renewing the license.

3. CE requirements – LH&A license only. [22:1573.C.]

Key changes: (1) The Life, Health & Accident renewals currently in progress are not affected by Act 485. (2) Starting with license renewals in 2012, the number of CE hours is changed to 24 from 16. (3) All CE hours can be achieved through classroom instruction or verifiable approved self-study. (4) Included in the required 24 hours of CE must be 3 hours of ethics.

Guidelines from the Louisiana Department of Insurance:

- Q.** Have the CE hourly requirements changed?
A. Yes, effective 1/1/2010 there are changes to the hours required and methods of completion for continuing education hours.

With the 2012 Life, Health & Accident renewals which will be processed on birthday months from January 2012 to December, 2012, all life, health and accident licensees will be required to complete 24 hours of continuing education hours with at least three hours dedicated to the subject of ethics. These hours can be completed by attending courses given by a qualified instructor in a structured setting (live), verifiable self-study or correspondence (See Rule 10).

As the department is in the process of changing all producer/adjusters license to renew during their birth month, please be advised that some CE hourly requirements that changed with Act 485 will not take effect until the 2011 Property & Casualty renewal cycle that will begin processing in April 2010. The Life, Health & Accident renewals currently in progress are not affected by Act 485. Please see **Birth Month Renewal Conversion** at the end of the FAQ's

The producer's CE hours must be completed and visible on the website prior to renewing the license.

(4) Age 65 exemption from CE. [22.1573.I.(1)(a)] Key changes: (1) Licensees who reach age 65 on January 1 or later starting in 2012 will no longer be exempt from CE requirements. (2) Licensees who currently have the exemption will be able to retain it. (3) Licensees who reach age 65 prior to January 1, 2012 will still be eligible for the age 65 exemption from CE requirements. (4) The criteria for the age 65 exemption remains unchanged: **(a)** 15 years of experience; **and (b)(i)** Is no longer actively engaged in the insurance business as an agent, broker, or solicitor and who is receiving social security benefits, if eligible, **or (b)(ii)** Is actively engaged in the insurance business as an agent, broker, or solicitor and who represents or operates through a licensed Louisiana insurer.

Guidelines from the Louisiana Department of Insurance:

- Q.** Are there any changes to the current exemptions for retired producers from continuing education requirements?
A. Yes, anyone sixty five years or older on or before January 1, 2012, who has at least 15 years of experience as a licensed producer, shall be exempt from continuing education. Producers who reach age 65 after January 1, 2012 will not qualify for the exemption from continuing education. If a producer is exempt prior to January 1, 2012, they will continue to maintain the exemption

(5) Birth Month Renewal Conversion process. Here are the Department's guidelines.

Guidelines from the Louisiana Department of Insurance:

Birth Month Renewal Conversion

Department has began converting to birth month renewals. We started this change on April 1, 2009 with all Life, Health & Accident type producers whose birth month was in May. We currently have open May – November birth month renewals. You can renew on-line at our website – www.lidi.state.la.us – Currently available to all resident and non-resident. Non-resident licensees can also go to www.nipr.com to renew.

Since the department is changing to birth month renewals, and since this renewal will be early, **the Commissioner has reduced the number of CE hours required from 16 to 8.** These hours can be live, correspondence, or carryover. This is a one time reduction, and **does not apply to the Property & Casualty renewals** which will start on **April 1, 2010** **Once the license has been renewed it will change the valid through date to be the last day of the birth month, 2012.**

All Property & Casualty Producers and All Adjuster licenses are due to expire on April 30, 2011. In order to convert these licensees to birth months, the renewals for the Property & Casualty Producers and All Adjusters will start on April 1, 2010 for those individuals whose birth month is May and will continue through April 2011. All Property & Casualty producers and all Adjusters will be required to have 24 hours of continuing education. These hours can be live, correspondence, or carryover. **Once the license has been renewed it will change the valid through date to be the last day of the birth month, 2013.**

A producer with combined licenses (Property & Casualty and Life, Health & Accident) who has complied with the Property & Casualty continuing education requirements of the 2011 renewal will not need to meet any additional continuing education requirements for the Life, Health & Accident license renewal of 2012.

Review & Summary of Changes in CE Renewal Process.

1. P&C Renewals 2011
 - a. Starts May, 2010 and ends with April, 2011
 - b. 24 hours CE required
 - c. No ethics or flood hours required
 - d. No renewals from May, 2011 through December, 2011

2. L&H Renewals 2012
 - a. Starts January, 2012 and ends December, 2012
 - b. 24 hours CE required
 - c. 3 hours ethics required
 - d. Agents with both P&C and L&H licenses do not need CE for renewal

3. P&C Renewals 2013
 - a. Starts January, 2013 and ends December, 2013
 - b. 24 hours CE required
 - c. 3 hours ethics and 3 hours flood required

Review & Summary of Changes in CE Renewal Process.

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THIS STARTS THE REGULAR CYCLE OF CALENDAR YEAR BIRTHDAY RENEWALS

4. L&H Renewals 2014
 - a. Starts January, 2014 and ends December, 2014
 - b. 24 hours CE required
 - c. 3 hours ethics required
 - d. Agents with both P&C and L&H licenses do not need CE for renewal

5. P&C Renewals 2015
 - a. Starts January, 2015 and ends December, 2015
 - b. 24 hours CE required
 - c. 3 hours ethics and 3 hours flood required

Part 3 – Excerpts of the relevant statutory changes

Following are excerpts of the revised statutory language in Act 485. (Words which are ~~struck through~~ are deletions from existing law; words in **boldface type and underscored** are additions.) It is important to note that provisions of the current CE and licensing statutes which were not referenced in Act 485 remain unchanged and in force.

Statutory Changes Related to Part 1 – Licensing Changes

1. Pre-Licensing [22:1545.C] [22:1571]

22:1545.C. (1) *Any person applying for a license as an insurance producer, prior to taking the examination required by this Subpart, shall file with the Department of Insurance, in a manner prescribed by the commissioner, certification that the applicant has completed a registered prelicensing program certified by the commissioner pursuant to R.S. 22:1571.*

(2) *This Subsection shall not apply to any applicant seeking authorization to write industrial fire, ~~fidelity and~~ **limited life, health and accident**, surety, ~~vehicle physical damage~~, title, surplus lines, ~~or credit life, credit accident and health, credit property and casualty, or variable annuity insurance~~ business only.*

(3) A person applying for a license as an insurance producer for authorization to write life insurance and having any of the following designations: Certified Employee Benefit Specialist (CEBS), Chartered Financial Consultant (ChFC), Certified Insurance Counselor (CIC), Certified Financial Planner (CFP), Chartered Life Underwriter (CLU), The Fellow, Life Management Institute (FLMI) or The LUTC Fellow Designation (LUTCF) shall be exempt from any prelicensing education requirements.

(4) A person applying for a license as an insurance producer for authorization to write health and accident insurance and having any of the following designations: Registered Health Underwriter (RHU), Certified Employee Benefit Specialist (CEBS), Registered Employee Benefits Consultant (REBC) or Health Insurance Associate (HIA) shall be exempt from any prelicensing education requirements.

(5) A person applying for a license as an insurance producer for authorization to write property or casualty insurance and having any of the following designations: Accredited Advisor in Insurance Program (AAI), Associate in Risk Management (ARM), Certified Insurance Counselor (CIC) or Chartered Property and Casualty Underwriter (CPCU) shall be exempt from any prelicensing education requirements.

(6) A person applying for a license as an insurance producer to write any line of insurance and having a bachelor's degree or higher from an accredited college or university with major course work in insurance shall be exempt from any prelicensing education requirements.

22:1571. *Registered insurance agent and bail agent prelicensing program*

*A.(1) The commissioner shall certify an educational program that meets the requirements of this Subpart and any rules or regulations promulgated pursuant to this Subpart as a registered insurance agent or bail agent prelicensing program. Any person who satisfactorily completes an educational program which has been certified as a registered insurance agent or bail agent prelicensing program pursuant to this Subpart shall satisfy the preexamination educational requirements of R.S. 22:1545(C)~~1571(C)~~**1571(E)**.*

B. The commissioner shall promulgate rules and regulations setting forth guidelines and requirements for the content and conduct of a registered insurance agent or bail agent prelicensing program and for the procedure for certification of an instructional program as a registered insurance agent prelicensing program. The commissioner shall also promulgate, ~~after consultation with the Insurance Education Advisory Council,~~ rules and regulations specifying the qualifications which each instructor in a registered insurance agent or bail agent prelicensing program shall possess. All such rules and regulations

promulgated by the commissioner shall be promulgated pursuant to the provisions of the Administrative Procedure Act.

*C. Each registered insurance agent or bail agent prelicensing program shall be conducted by one of the following: *** (4) An organization recommended by ~~the Insurance Education Advisory Council~~ and certified by the commissioner of insurance. 16*

** * **

E.(1) Each registered insurance agent prelicensing program ~~for life or health and accident insurance agents~~ shall provide instruction by a qualified instructor in a structured setting or by verifiable approved self-study with a minimum of ~~sixteen~~ twenty hours of supervised instruction or self-study, including instruction in applicable insurance principles, state laws and regulations, and ethical practices, for each of the following lines of authority a license is sought: life, health and accident, property, casualty, and personal lines.

~~(2) Each registered insurance agent prelicensing program for insurance agents other than life or health and accident insurance shall provide instruction by a qualified instructor in a structured setting with a minimum of thirty-two hours of supervised instruction, including instruction in applicable insurance principles, state laws and regulations, and ethical practices.~~

~~(3)~~ (2) Each registered bail agent prelicensing program shall provide instruction by a qualified instructor in a structured setting with a minimum of eight hours of supervised instruction, including instruction in applicable underwriting principles, state laws and regulations, and ethical practices.

2. Application for license [22:1546]

22:1546.D. (1) *The commissioner of insurance may require any documents deemed necessary to verify the information contained in an application.*

(2) In order to make a determination of license eligibility, the commissioner of insurance may require fingerprints of applicants and submit the fingerprints and the fees required to perform the criminal history record checks to the Louisiana Bureau of Criminal Identification and Information for state and national criminal history record checks. The commissioner of insurance shall require a criminal history record check on each applicant in accordance with this Subpart. The commissioner of insurance shall require each applicant to submit a full set of fingerprints in order for the commissioner of insurance to obtain and receive National Criminal History Records from the FBI Criminal Justice Information Services Division.

(3) The commissioner of insurance may contract for the collection, transmission, and re-submission of fingerprints required under this Section. If the commissioner of insurance does so, the fee for collecting and transmitting fingerprints and the fee for the criminal history record check shall be payable directly to the contractor by the applicant. The commissioner of insurance may agree to a reasonable fingerprinting fee to be charged by the contractor.

(4) The commissioner of insurance shall treat and maintain an applicant's fingerprints and any criminal history record information obtained under this Section as confidential and shall apply security measures consistent with the Criminal Justice Information Services Division of the Federal Bureau of Investigation standards for the electronic storage of fingerprints and necessary identifying information and limit the use of records solely to the purposes authorized in this Section. The fingerprints and any criminal history record information shall be exempt from the public records law (R.S. 44:1 et seq.,) shall not be subject to subpoena, other than a subpoena issued in a criminal proceeding or investigation, and shall be confidential by law and privileged, and shall not be subject to discovery or admissible in evidence in any private civil action.

Statutory Changes Related to Part 1 – Licensing Changes
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3. Licenses/Lines of Authority [22:1547]

22:1547. A. Unless denied licensure pursuant to R.S. 22:1554, persons who have met the requirements of this Subpart shall be issued an insurance producer license. An insurance producer may receive qualification for a license in one or more of the following lines of authority:

*(1) Life, which provides insurance coverage on human lives **including benefits of endowment and annuities**, and may include benefits in the event of death or dismemberment by accident and benefits for disability income.*

(2) Health and accident, which provides insurance coverage for sickness, bodily injury, or accidental death, and may include benefits for disability income.

*(3) ~~Annuities~~ **Variable life and variable annuity products**, ~~which includes variable life and variable annuity products.~~*

(4) Property, which provides insurance coverage for the direct or consequential loss or damage to property of every kind. ~~A license for property insurance shall be for either personal lines, defined as property insurance coverage sold to individuals and families for primarily noncommercial purposes, or commercial lines, defined as anything other than personal lines, or both.~~

(5) Casualty, which provides insurance coverage against legal liability, including that for death, injury or disability, or damage to real or personal property. ~~A license for casualty insurance shall be for either personal lines, defined as casualty insurance coverage sold to individuals and families for primarily noncommercial purposes, or commercial lines, defined as anything other than personal lines, or both.~~

(6) Personal lines, which provides property and casualty insurance coverage to individuals and families for primarily noncommercial purposes.

~~(6)~~ **(7) Title.**

~~(7)~~ **(8) Credit life, which includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, or any other form of insurance offered in connection with an extension of credit to partially or wholly extinguish that credit obligation and that is designated by the insurer as limited line credit insurance. The amount of credit insurance issued pursuant to a credit transaction shall not exceed the total sum payable under the contract including all loan finance and credit service charges.**

~~(8) Credit health and accident.~~

~~(9) Credit property and casualty.~~

~~(10) Repealed by Acts 2006, No. 335, §1, eff. June 13, 2006.~~

~~(11)~~ **(9) Travel which provides insurance coverage for trip cancellation, trip interruption, baggage, life, sickness and accident, disability, and personal effects when limited to a specific trip and sold in connection with transportation provided by a common carrier.**

~~(12) Baggage.~~

~~(13)~~ **(10) Industrial Limited life, health and accident, which provides insurance coverage pursuant to R.S. 22:142. A license for industrial limited life may allow the producer to sell life insurance in an amount not to exceed fifteen ~~fifteen~~ thirty thousand dollars when appointed by an insurer which meets the**

minimum financial requirements of, and is licensed pursuant to, R.S.

22:82(A)(1) or 112(A)(1), and when such policies are issued by said insurer.

~~(14) Industrial health and accident.~~

~~(15)~~ **(11)** Industrial fire.

~~(16) Fidelity and surety~~ **(12) Surety which provides insurance or bond that covers obligations to pay debts of, or answer for the default of another, including faithlessness in a position of public or private trust. For purpose of limited line licensing, surety does not include surety bail bonds.**

~~(17) Vehicle physical damage.~~

~~(18) Health maintenance organization subscriber agreements.~~

~~(19)~~ **(13)** Bail bonds.

~~(20) Home service life.~~

~~(21)~~ **(14)** Surplus lines, subject to the requirements of Subsection I of this Section.

~~(22)~~ **(15)** Any other line of insurance permitted under state laws or regulations.

22:1547.I. Any licensed **property and casualty** insurance producer maintaining an office at a designated location in this state and having at least two years experience in the insurance business with an insurer or as an insurance producer may be licensed as a surplus lines broker as follows:

4. Exemption from licensing examination [22:1551.C]

22:1551.C. The following resident applicants shall be exempt from the requirement of an examination: (1) Any applicant for a license covering the same line or lines of insurance for which the applicant was licensed under a similar license in this state, other than a temporary license, within five years from the date of expiration of the previous license, unless such previous license was revoked or suspended or renewal was refused by the commissioner.

~~(2) As to life, health and accident insurance examinations, any applicant who has been conferred the Chartered Life Underwriters (CLU) designation by the American College of Life Underwriters~~

~~and who is a member in good standing with a local chapter of the American Society of Chartered Life Underwriters.~~

~~(3) As to property and casualty insurance examinations, any applicant who has been conferred the Chartered Property and Casualty Underwriter (CPCU) designation by the American Institute for Property and Liability Underwriters, Incorporated, and who is in good standing with a local chapter of the Society of Chartered Property and Casualty Underwriters.~~

~~(4)-(2) Any applicant for a license to represent an industrial-**a limited** life, health and accident, service, nonprofit, or home service insurer.~~

~~(5)-(3) Any applicant who shall be licensed to act only as a producer with respect to life, health, and accident insurance on borrowers or debtors **or with respect to property and casualty insurance on collateral and involuntary unemployment**, commonly known as credit life or credit health and accident insurance and credit accidental death and dismemberment.~~

~~(6) Any applicant who shall be licensed to act only as a producer with respect to credit property and casualty insurance on collateral, commonly known as credit property and casualty insurance, including credit property insurance on which the licensed lender has a security interest, and involuntary unemployment.~~

~~(7)-(4) Any applicant who is a ticket selling agent of a railroad company, carrier by air, or public bus carrier, who shall act thereunder as an insurance producer only in reference to the issuance of accident or baggage insurance policies in connection with the transportation that accompanies the transportation ticket.~~

~~(8) Repealed by Acts 2006, No. 335, §1, eff. June 13, 2006.~~

~~(9)-(5) Producers of any other lines of insurance which the commissioner of insurance determines, by rule or regulation, do not require the professional competency tested by examination.~~

Statutory Changes Related to Part 2 – CE Requirements

1. CE requirements – PC license only. [22:1573.D.]

22:1573.D. Beginning with renewals effective in 1993, insurance brokers, solicitors, and agents authorized to write fire property, casualty, or fire property and casualty or personal lines insurance business shall complete twenty-four hours of approved instruction or verifiable approved self-study before each renewal of license. Beginning with renewals effective in 2007, three hours of approved instruction shall be dedicated to flood insurance. ~~The dedication of approved instruction for flood insurance shall terminate with renewals effective 2008.~~ **Beginning with renewals effective in 2011, at least three hours of approved instruction shall be dedicated to the subject of ethics.**

2. CE requirements – Combination PC & LH&A licenses [22:1573.E]

22:1573.E. For brokers, solicitors, and agents authorized both to write life, health and accident insurance and authorized to write fire property, casualty, or fire property and casualty or personal lines insurance business, the continuing education requirement for renewal of license shall be twenty-four hours of approved instruction or verifiable approved self-study. **Beginning with renewals effective in 2011, at least three hours of approved instruction or verifiable approved self study shall be dedicated to the subject of ethics.** as follows:
(1) ~~Twelve hours of approved life, health and accident insurance instruction 6 for renewal of the life, health and accident insurance license.~~ (2) ~~Twenty hours of approved property and casualty instruction for renewal of the property and casualty license.~~ Beginning with renewals effective in 2007, three hours of approved instruction shall be dedicated to flood insurance. ~~The dedication of approved instruction for flood insurance shall terminate with renewals effective 2008.~~

3. CE requirements – LH&A license only. [22:1573.C.]

22:1573.C. Beginning with renewals effective in ~~1994~~ **2010**, life insurance agents and health insurance agents shall complete ~~sixteen~~ **twenty-four** hours of approved instruction or verifiable approved self-study prior to each renewal of license, **with at least three hours dedicated to the subject of ethics.**

4. Age 65 exemption from CE. [22.1573.I.(1)(a)]

22.1573.I.(1)(a) The provisions of this Section, imposing continuing education requirements for renewal of a license, shall not apply to any person sixty-five years of age or older **on January 1, 2012**, who has at least fifteen years of experience as a licensed agent, broker, or solicitor, and who either:

- (i) Is no longer actively engaged in the insurance business as an agent, broker, or solicitor and who is receiving social security benefits, if eligible.
- (ii) Is actively engaged in the insurance business as an agent, broker, or solicitor and who represents or operates through a licensed Louisiana insurer.