

LOUISIANA

Act 485 Producer Licensing

As a continuing nationwide effort to create uniform licensing processes, Louisiana recently passed legislation based on the NAIC Uniform Producer Model Act. This legislation will become effective on January 1, 2010.

Key Highlights of the New Law

- Changes to certain producer lines of authority
- Changes in pre-licensing education requirements
- Changes in continuing education requirements
- Allows for fingerprinting and criminal background checks on newly licensed resident producers
- Eliminates the Louisiana Educational Advisory Council
- Changes to requirements for business entity applications

Frequently Asked Questions on New Legislation

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 licenses 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 or correspondence. Producers may also use up to 10 carryover hours from the prior renewal. **Once the license has been renewed it will change the valid through date to be the last day of the birth month, 2013.**

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 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).

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 3 hours dedicated to the subject of ethics. Property and casualty producers must also complete 3 of the total 24 hours on the subject of 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.

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.

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

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.

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.

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.

- Q.** Are there any changes to the documentation required to obtain a resident business entity license?
- A.** Yes, documentation such as a letter of good standing from the secretary of state's office and other additional documentation that was previously required will no longer be required.
- Q.** Do continuing education providers and courses still need to be approved by the Insurance Education Advisory Board?
- A.** No, as of 1/1/2010 the Department of Insurance, Licensing division, will review and approve/disapprove all provider and course applications.

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.