



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

ADVISORY LETTER 2019-05

TO: PRODUCER AGENCIES LICENSED IN THE STATE OF LOUISIANA

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: PRODUCER AGENCY REGISTRATION OF AFFILIATED INDIVIDUALS

DATE: OCTOBER 31, 2019

The purpose of Advisory Letter 2019-05 is to remind all licensed producer agencies of the mandatory requirement of registration of individuals affiliated with producer agencies pursuant to La. R.S. 22:1546(B)(1)(b). Specifically, a producer agency shall register with the Louisiana Department of Insurance (LDI) under the producer agency's license every individual who is personally engaged in the solicitation and negotiation of insurance policies in this state on behalf of the producer agency. It has been brought to my attention that some producer agencies may be unaware of and are failing to comply with the mandatory registration and reporting requirements.

By statute, a business entity acting as an insurance producer must obtain a producer agency license from the LDI. In addition to that requirement, it is incumbent upon the licensed producer agency to register under its agency license individuals who are personally engaged in soliciting or negotiating policies in this state on behalf of the agency. La. R.S. 22:1546(B)(1)(b) also requires that each individual must qualify for an individual producer license for any line of insurance that the producer agency is licensed to transact in addition to the producer agency's obligation to register the producer under its agency license.

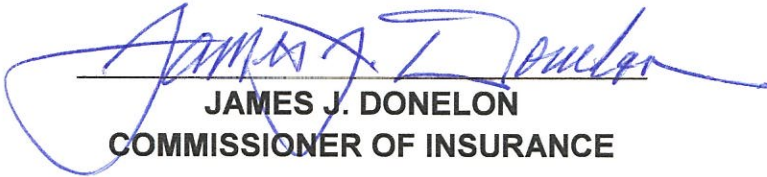
A licensed producer agency is further required to notify the LDI within 30 days of any change in status of an individual who is registered under its license. The producer agency bears the responsibility for initial registration of the individual producer under its producer agency license and has the duty to update the LDI when changes in affiliation status occur. Pursuant to La. R.S. 22:1546(B)(1)(e), a fine of \$100.00 is mandated for each violation of these requirements.

Producer agencies should use the web-based Affiliations Module found in the LDI's Industry Access Portal available at <https://ia.lidi.state.la.us/industryaccess> to register

individuals who qualify as affiliates under La. R.S. 22:1546(B)(1)(b). Please be advised that overall guidance as to the mandatory registration of producer agencies can be found in Advisory Letter 2016-02.

Questions pertaining to this Advisory Letter should be directed to the Louisiana Department of Insurance, Office of Licensing, at (225) 342-0860 or producerlicensing@ldi.la.gov.

Baton Rouge, Louisiana, this 31st day of October 2019.



JAMES J. DONELON
COMMISSIONER OF INSURANCE