background necessary to adequately provide industrial safety and health engineering services.

F. The service agent shall maintain adequate staff, and the staff shall be authorized to act for the service agent on all matters covered by the Workmen's Compensation Act and rules and regulations applicable thereto.

G. The service agent shall file copies of all contracts entered into with interlocal risk management agencies as they relate to the services to be performed. Such reports shall be kept confidential. The service agent will handle all claims, with dates of injury or disease, within the contract period until their conclusion, unless the service agent is relieved of that responsibility by a successor service agent.

H. Failure to comply with the provisions of the Workmen's Compensation Act shall be considered good cause for withdrawal of the approval to act as a service agent. Thirty days notice of withdrawal shall be given, and notice shall be served, by certified or registered mail, upon all interested parties.

AUTHORITY NOTE: Promulgated in accordance with R.S. Title 22, Section 2 of 1950 and Act 462 of the 1979 Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 16:621 (July 1990).

§319. Penalty for Non-Compliance

A. Non-compliance with the provisions of this rule may result in suspension, revocation, or non-renewal of the Certificate of Authority issued by the Commissioner of Insurance pursuant to the provisions of Act 462 of the 1979 Session of the Louisiana Legislature.

AUTHORITY NOTE: Promulgated in accordance with R.S. Title 22, Section 2 of 1950 and Act 462 of the 1979 Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 16:621 (July 1990).

§321. Severability

A. If any of the provisions of this rule are held invalid, such invalidity shall not affect other provisions which can be given effect with the invalid item, and to this end the provisions of this rule are hereby declared severable.

AUTHORITY NOTE: Promulgated in accordance with R.S. Title 22, Section 2 of 1950 and Act 462 of the 1979 Session of the Louisiana Legislature.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Commissioner of Insurance, LR 16:621 (July 1990).

Chapter 5. Rule Number 9—Prelicensing Education

§501. Authority


§503. Purpose

A. The purpose of this Rule is to implement the provisions of R.S. 22:1545(C), R.S. 22:1546(A), R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2(C), and R.S. 22:1808.3(A)(4) by establishing curricula for programs of instruction required to be completed by applicants seeking an insurance license in the state of Louisiana; to establish criteria for approval of prelicensing program providers of the programs of instruction; and to establish a mechanism of examination and review of the performance and quality of the instruction.


§505. Applicability and Scope

A. This Rule shall apply to all individuals seeking to be licensed as an insurance producer or insurance consultant who are required by statute to complete a prelicensing program prior to taking an insurance examination. Further, this Rule shall apply to the providers of the prelicensing program and the instructors for said programs.

B. The following shall be exempt from any prelicensing education requirements:

1. a person applying for a license as an insurance producer for authorization to write life insurance or an insurance consultant to consult on life insurance and having any of the following designations:
   a. certified employee benefit specialist (CEBS);
   b. chartered financial consultant (ChFC);
   c. certified insurance counselor (CIC);
   d. certified financial planner (CFP);
   e. chartered life underwriter (CLU);
   f. Fellow, Life Management Institute (FLMI); or
   g. the LUTC fellow designation (LUTCF);

2. a person applying for a license as an insurance producer for authorization to write accident and health or sickness insurance or an insurance consultant to consult on the line of health and accident and having any of the following designations:
   a. registered health underwriter (RHU);
   b. certified employee benefit specialist (CEBS);
   c. registered employee benefits consultant (REBC); or
   d. health insurance associate (HIA);
3. a person applying for a license as an insurance producer for authorization to write property or casualty insurance or an insurance consultant to consult on property and casualty and having any of the following designations:
   a. accredited advisor in insurance program (AAI);
   b. associate in risk management (ARM);
   c. certified insurance counselor (CIC); or
   d. chartered property and casualty underwriter (CPCU);

4. a person applying for a license as an insurance producer to write any line of insurance or an insurance consultant to consult on any line of insurance and having a bachelor's degree or higher from an accredited college or university with major course work in insurance.


§507. Effective Date

A. This Rule shall become effective upon final publication in the Louisiana Register.


§509. Definitions

A. In this Rule, unless the context otherwise requires, the following definitions shall be applicable.

Candidate—either a consultant license candidate or a producer license candidate as defined herein.

Consultant License Candidate—a natural person who is seeking to be licensed as an insurance consultant pursuant to the provisions of R.S. 22:1808.1-1808.13 who is required by statute to complete an approved prelicensing program prior to taking an examination.

Commissioner—the commissioner of insurance of Louisiana.

Department—the Louisiana Department of Insurance.

Producer License Candidate—a natural person who is seeking to be licensed as an insurance producer pursuant to the provisions of R.S. 22:1541-1566 who is required by statute to complete an approved prelicensing program prior to taking an examination.

Provider—the entity presenting a prelicensing program.

Supervised Instruction—instruction that is conducted in a structured setting under direct supervision of an instructor at a facility compliant with the provisions of this Rule during scheduled program presentations.

Verifiable Self-Study—an internet, CD-ROM, DVD, or other computer based presentation that has an interactive electronic component.


§511. Prelicensing Requirements

A. All producer license candidates seeking licensure for one of the lines of life or accident and health or sickness shall complete a prelicensing program of instruction with a minimum of 20 hours of supervised instruction or verifiable self-study in the line for which licensure is being sought. If the candidate is seeking licensure for both of the lines of life and accident and health or sickness, the candidate shall complete 40 hours of supervised instruction or verifiable self-study in the subjects of life and accident and health or sickness.

B. All producer license candidates and consultant license candidates seeking licensure for one of the lines of property or casualty shall complete a prelicensing program of instruction with a minimum of 20 hours of supervised instruction or verifiable self-study in the line for which licensure is being sought. If the candidate is seeking licensure for both of the lines of property and casualty, the candidate shall complete 40 hours of supervised instruction or verifiable self-study in the subjects of property and casualty.

C. All producer license candidates seeking licensure for the line of personal lines shall complete a prelicensing program of instruction with a minimum of 20 hours of supervised instruction or verifiable self-study in the subject of personal lines.

D. All producer license candidates seeking licensure for the line of bail bond shall complete a prelicensing program of instruction with a minimum of eight hours of supervised instruction in the subject of bail bonds. The candidate may not utilize verifiable self-study to satisfy this requirement.

E. All producer license candidates seeking licensure for the line of title shall complete a prelicensing program of instruction with a minimum of 20 hours of supervised instruction or verifiable self-study in the subject of title.

F. All consultant license candidates seeking licensure for one of the lines of life or health and accident shall complete a prelicensing program of instruction with a minimum of 20 hours of supervised instruction or verifiable self-study in the line for which licensure is being sought. If the candidate is seeking licensure for both of the lines of life and health and accident, the candidate shall complete 40 hours of supervised instruction or verifiable self-study in the subjects of life and health and accident.
G. Upon completion of the prelicensing program, the candidate shall be tested by the provider of the prelicensing program. The candidate shall not be deemed to have successfully completed the prelicensing program unless they have correctly answered a minimum of 70 percent of test questions.

H. When concurrent prelicensing programs for the subjects of life, accident and health or sickness, property and casualty are conducted, the repetition of ethical practices and other topics which are redundant shall be waived. However, this does not reduce the minimum required hours of instructional training set forth by the statute.


§513. Program Certification Requirements

A. An application for certification of a prelicensing program shall be submitted to the commissioner not less than 30 days prior to the expected use of the prelicensing program. Each application shall be on the form and in the format required by the commissioner and shall include:

1. the full legal name and federal employer identification number (FEIN) of the provider of the prelicensing program;

2. an outline of the prelicensing program including a list of resource material to be used, a copy of the textbook to be used, a description of the training aids to be used, a detailed description of the prelicensing program, a schedule of the prelicensing program which clearly indicates the time spent on each subject, and the cost of the prelicensing program to each participant;

3. a description of the method used to require the candidate to demonstrate mastery of the current section or material before the candidate is allowed to proceed to the next section or material or to complete the prelicensing program;

4. a statement describing how the prelicensing program generates a sufficient number of inquiries to illustrate that the candidate has mastered the information;

5. if the prelicensing program is not a self-study program, a list of locations where the instructional program will be offered and a schedule of times and dates when the program will be offered. Any change in the schedule of times, dates or locations of prelicensing program presentation shall be filed with the commissioner no less than three-days prior to the scheduled beginning date of the prelicensing program presentation;

6. if the prelicensing program is not a self-study program, the physical address, including room or suite number and a description of the facilities where the program will be presented. All facilities shall meet the requirements of §521 of this Rule;

7. if the prelicensing program is a self-study program, a description of the measures used by the provider to verify identity of the participants;

8. if the prelicensing program is a self-study program, a description of the technical support available to participants including the business hours of the support and the proposed length of time for response by the provider to any inquiries;

9. if the prelicensing program is a self-study program, a description of the method used to prevent access to a course exam before review of the course material;

10. if the prelicensing program is a self-study program, a user ID and log-in credentials to permit the commissioner to view the prelicensing program in the same environment and under the same conditions that will be permitted for the participants.

B. A provider may request that any prelicensing program materials deemed proprietary or that contain trade secrets be maintained as confidential by the commissioner. All such requests must be made in strict compliance with the provisions of R.S. 44:3.2.

C. The provider shall not allow credit for hours for any prelicensing program work that is not conducted under the direct supervision of the prelicensing program instructor at the approved facility during scheduled prelicensing program presentation or completed by self-study.

D. Any material changes to information submitted to the commissioner in association with an application for certification of a prelicensing program that has been approved by the commissioner must be submitted to the commissioner no less than 30 days prior to the scheduled beginning date of the prelicensing program presentation. A material change shall include either of the following:

1. changes to the instructors of the prelicensing program;

2. changes to the text books, resource material or training materials to be used in the prelicensing program.

E. Prelicensing programs shall include instruction in applicable insurance principles, state laws and regulations, and ethical practices for each of the lines or authority for which approval is sought. In addition, each prelicensing program shall provide training in all subject areas included in the content outline published in the licensing information handbook.

F. The commissioner shall not certify a prelicensing program unless the prelicensing program meets the following standards:

1. The prelicensing program must include sufficient content to prepare the candidate for the licensing examination.

2. The prelicensing program must be developed by persons who are qualified in the subject matter and instructional design.
3. The prelicensing program must be current and up to date.

G. If a provider utilizes published program materials, including text books, outlines or other similar materials, each attendee must be provided with a complete original text of the material as part of the fee for the program. This text shall be retained by the attendee and shall not be returned or resold to the provider. No substitute texts, outlines, summaries or copyright infringement is permitted.

H. A prelicensing program may be certified for one of the following examination types:

1. life only;
2. accident and health or sickness and health and accident only;
3. life and accident and health or sickness and health and accident;
4. property only;
5. casualty only;
6. property and casualty;
7. personal lines;
8. bail bonds;
9. title.

I. A provider shall not offer any prelicensing program prior to approval by the commissioner.

J. Certification of a prelicensing program shall expire three years from the date of certification. A provider may request renewal of the certification by submitting all information required by this section to the commissioner no less than 30 days prior to the expiration of the certification.


§515. Measurement of Credit Hours

A. Credit hours for prelicensing programs shall be determined by the commissioner in compliance with the provisions of this Rule.

B. Professional education programs shall be credited for prelicensing purposes in full hours only.

1. The number of credit hours for prelicensing programs other than self-study shall be equivalent to the actual number of hours in classroom instruction or participation. Each hourly period must include at least 50 minutes of continuous instruction or participation. For this purpose, a one-day prelicensing program will be granted eight hours credit if the total lapsed time is approximately eight hours and the total time of instruction is at least 400 minutes.

2. The number of credit hours for self-study programs shall be determined by the commissioner upon consideration of the following:
   a. the complexity of the material covered in the program;
   b. the word count of the total program;
   c. statistical data on the length of time spent by participants in the program;
   d. the run time of any videos, animation, or interactive exercises which are mandatory for completion of the program.

C. The number of prelicensing credit hours will be limited to a maximum of eight hours per day of instruction. The maximum number of pre-licensing credit hours which will be approved for any single program will be 40 credit hours.


§517. Provider Requirements

A. Prelicensing providers shall be one of the following:
   1. an insurance trade association;
   2. an insurance company admitted to do business in Louisiana;
   3. an accredited public or private college or university;
   4. an organization certified by the commissioner.

B. An organization seeking to be certified by the commissioner shall submit an application to the commissioner on the forms he requires. The application shall include:
   1. the full legal name and federal employer identification number (FEIN) of the organization making application;
   2. the names and addresses of every officer, director, partner or member of the provider applicant;
   3. the names and addresses of every person owning, directly or indirectly, 10 percent or more of the provider applicant;
   4. the name, address and a description of the professional qualifications of the supervisory instructor of the provider applicant;
   5. the principal place of business of the provider applicant;
   6. certification from the provider applicant that all instructors presenting the program shall meet the requirements as set forth in this Rule;
7. a general description of the types of education programs presented by the provider applicant;
8. a description of the qualifications and experience of the persons responsible for the creation of the prelicensing programs;
9. the fee required by R.S. 22:821;
10. such other information as the commissioner may require to confirm compliance with this Rule.

C. Every provider shall maintain a signed statement from each instructor describing the basis for the instructor’s qualification and affirmation that the instructor shall comply with the requirements of this Rule.

D. Every provider certified by the commissioner shall notify the commissioner of any material change in the information submitted with the application within 30 days of the effective date of the change. Every such notice shall include information comparable to that required with the initial application. A material change shall include, but not be limited to the following:
1. a change of the name of the provider;
2. a change in the address of the provider;
3. a change of officer, director, partner or member of the provider;
4. the merger of a provider;
5. a change in ownership of 10 percent or more of the provider;
6. a change in the supervisory instructor of the provider.

E. Every certification shall expire three years from the date of issuance and may be renewed by filing a renewal application as required by the commissioner not less than 90 days prior to expiration of the certification.

F. Upon expiration of the provider’s certification, the commissioner’s approvals of prelicensing programs presented by that provider shall be rescinded.


§521. Training Facilities Requirements
[Formerly §519]

A. At a minimum all training facilities shall:
1. provide an atmosphere conducive to educational presentation, including good housekeeping, controlled environment as to heating and cooling, proper lighting, and proper furnishing;
2. be easily accessible and secure for the safety of the attendees;
3. be dedicated for the exclusive use of the prelicensing program presentation while in session;
4. provide ready access to rest rooms and other facilities of human needs to the attendees; and
5. provide a proper layout to ensure that training aids, overhead viewing equipment and other such aids are easily visible by all attendees of the course.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011),
§523. Authority of the Commissioner to Conduct On-Site Review of Prelicensing Programs
[Formerly §521]

A. The commissioner or his designee shall have the authority to visit a training facility and review the provider’s program at any time. Said visits may include the review of curriculum records, review of attendance records and observation of instructional sessions in progress.


§525. Program Completion
[Formerly §523]

A. All candidates shall complete the required instructional prelicensing program prior to taking the insurance licensing examination administered by the department or contracted testing vendor. The candidate shall successfully complete the instructional prelicensing program no more than 12 months prior to taking the examination.

B. Every provider shall maintain a list of all individuals who have successfully completed a prelicensing program presented by that provider for a period of not less than five years from the date of course completion. The list shall contain the identification number assigned to the prelicensing program by the commissioner and the name and such distinct information as necessary to clearly identify all individuals who successfully completed the prelicensing program, including the date of course completion. Every provider shall submit a copy of the list to the commissioner within 15 calendar days of prelicensing program completion. The commissioner may direct that the provider transmit course completion information to the vendor contracted to administer insurance examinations.

C. Every provider shall also maintain electronic records of prelicensing program completion in a format compatible with the commissioner’s specifications to facilitate the electronic reporting and transfer of attendance information from the provider to the commissioner.

D. Every provider shall present a certificate of successful completion to each individual who successfully completes the prelicensing program. This certificate shall be on a form acceptable to the commissioner and shall include the name of the individual and the identification number assigned to the prelicensing program by the commissioner.


§527. Fees
[Formerly §525]

A. All applications submitted to the commissioner seeking certification of a prelicensing program shall be accompanied by the fee set forth in RS 22:821(29).


§529. Complaints
[Formerly §527]

A. The commissioner shall review all complaints lodged against a provider, supervisory instructor or instructor of a prelicensing program. Every provider shall respond to an inquiry from the commissioner regarding a complaint within 30 days of receipt of such inquiry. Any disciplinary action required shall be taken by the commissioner in accordance with the Louisiana Insurance Code, specifically R.S. 22:2191-2208.


§531. Violations
[Formerly §529]

A. The commissioner may deny, suspend, or rescind the certification of a prelicensing program should he find the prelicensing program, the instructors or the provider of the prelicensing program have violated any provision of this Rule or any applicable provisions of the Louisiana Insurance Code or should he find that continued operation of the prelicensing program is not in the best interest of the citizens of this state or the insurance buying public.

B. Any denial, suspension, or rescission of the certification of a prelicensing program shall comply with the provisions of R.S. 49:961.

C. An aggrieved party affected by the commissioner’s decision, act, or order may demand a hearing in accordance with R.S. 22:2191 et seq.


Chapter 7. Rule Number 10—Continuing Education

§701. Authority