

5. copies of the complete policy of aggregate excess insurance shall be filed with the Commissioner of Insurance, together with a certification that such policy fully complies with this rule and applicable statutes.

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).

§317. Servicing Interlocal Risk Management Agencies; Application; Requirements; Noncompliance

A. Any individual, co-partnership, or corporation desiring to engage in the business of providing one or more services for an approved workmen's compensation program for an interlocal risk management agency shall apply to, and shall satisfy the Commissioner of Insurance that it has adequate facilities and competent staff within the state of Louisiana to service the self-insurance program in such a manner as to fulfill the employers' obligations under the Workmen's Compensation Act and any rules and regulations applicable thereto. Service may include, but is not limited to, claims adjusting, industrial safety engineering, underwriting, and the capacity to provide required reporting.

B. Application for approval to act as a servicing agent for an interlocal risk management agency shall be made on the required form. The application shall contain answers to all questions propounded and shall be sworn to and approved before the service agent enters into a contract with an interlocal risk management agency. Applications for approval to act as a service agent shall be granted for a period of one year and shall be subject to renewal annually.

C. If the service agent seeks approval to service claims, then proof shall be required that it has within its organization, or has contracted on a full-time basis with, at least one person who has the knowledge and experience necessary to handle claims involving the Workmen's Compensation Act and public liability. A résumé covering that person or person's background shall be attached to the application of the service agent.

D. If the service agent seeks approval to provide underwriting services, then proof shall be required that it has within its organization, or has contracted on a full-time basis with at least one person who has the knowledge and experience necessary to provide underwriting services for workmen's compensation excess insurance and public liability coverage. A résumé covering that person or person's background shall be attached to the application of the service agent.

E. If the service agent seeks approval to furnish safety engineering services, then proof shall be required that it has within its organization, or has contracted on a full-time basis with at least one person who has the knowledge and 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

A. This Rule is promulgated in accordance with R.S. 22:1571.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2168 (July 2011).

§503. Purpose

A. The purpose of this Rule is to implement the provisions of R.S. 22:1546(A)(4) and R.S. 22:1571 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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2168 (July 2011).

§505. Applicability and Scope

A. This Rule shall apply to all applicants seeking a license as an insurance producer who are required by statute to take an insurance examination. Further, this Rule shall apply to the providers of the prelicensing program and the instructors for said programs.

B. This Rule shall not apply to any applicant seeking a license as an insurance producer solely for surety or industrial fire lines of authority.

C. 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 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. the fellow;
- g. Life Management Institute (FLMI); or
- h. the LUTC fellow designation (LUTCF).

2. 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:

- 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 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 and having a

bachelor's degree or higher from an accredited college or university where the degree obtained includes major course work in insurance.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2169 (July 2011).

§507. Effective Date

A. This Rule shall become effective August 1, 2011 after publication in the July 2011 *Louisiana Register*.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2169 (July 2011).

§509. Definitions

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

Commissioner—the commissioner of insurance of Louisiana.

Department—the Louisiana Department of Insurance.

Producer License Candidate—a natural person who is seeking a license as an insurance producer who is required by statute to take an insurance 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 that:

- a. provides inquiry periods at regular and relatively evenly spaced intervals during the program which shall cover material presented in that section of the program;

- b. requires the candidate to demonstrate mastery of the current Section before the candidate is allowed by the program to proceed to the next Section or complete the program;

- c. identifies all incorrect responses during the inquiry periods and informs the candidate of the correct response with an explanation of the correct answer;

- d. is capable of generating a sufficient number of inquiries to illustrate that the candidate has mastered the information for each inquiry period;

- e. provides for a method to directly transmit the final program completion results to the provider or a printed program completion receipt to be sent to the provider for issuance of a completion certificate; and

- f. has a means to reasonably authenticate the candidate's identity during the program.

INSURANCE

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2169 (July 2011).

§511. Program Requirements

A. Life, Health and Accident

1. All producer license candidates seeking licensure for one of the lines of life or health and accident shall complete a 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.

2. The curricula for the life instruction shall include the following:

- a. insurance regulation;
- b. general insurance;
- c. life insurance basics;
- d. life insurance policies;
- e. life insurance policy provisions, options and riders;
- f. annuities;
- g. federal tax considerations for life insurance and annuities;
- h. qualified plans.

3. The curricula for the health and accident instruction shall include the following:

- a. insurance regulation;
- b. general insurance;
- c. health insurance basics;
- d. individual health insurance policy general provisions;
- e. disability income and related insurance;
- f. medical expense plans;
- g. group health insurance;
- h. dental insurance;
- i. insurance for senior citizens and special needs individuals;
- j. federal tax considerations.

B. Property and Casualty

1. All producer license candidates seeking licensure for one of the lines of property or casualty shall complete a 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.

2. The curricula for property and casualty shall include the following:

- a. insurance regulation;
- b. general insurance;
- c. property and casualty insurance basics;
- d. dwelling insurance policy provisions, including a discussion of the most current ISO form approved for use in Louisiana;
- e. homeowners insurance policy provisions, including a discussion of the most current ISO form approved for use in Louisiana;
- f. auto insurance policy provisions;
- g. commercial insurance policy provisions, including a discussion of the most current ISO form approved for use in Louisiana;
- h. business owners insurance policy provisions, including a discussion of the most current ISO form approved for use in Louisiana;
- i. workers' compensation insurance;
- j. other coverage and options.

C. Personal Lines

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

2. The curricula for personal lines shall include the following:

- a. insurance regulation;
- b. general insurance;
- c. personal lines insurance basics;
- d. dwelling insurance policy provisions, including a discussion of the most current ISO form approved for use in Louisiana;
- e. homeowners insurance policy provisions, including a discussion of the most current ISO form approved for use in Louisiana;
- f. auto insurance policy provisions.

D. Bail Bond

1. All producer license candidates seeking licensure for the line of bail bond shall complete a 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.

2. The curricula for bail bond shall include the following:

- a. insurance regulation;
- b. general insurance;
- c. underwriting principles;
- d. state laws and regulations;
- e. contract provisions;
- f. ethical practices.

E. Upon completion of the program, the producer license candidate shall be tested by the provider of the program. A producer license candidate shall not be deemed to have successfully completed the program unless he has correctly answered a minimum of 70 percent of test questions.

F. When concurrent programs for the subjects of life, health and accident, 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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2169 (July 2011).

§513. Program Certification Requirements

A. Applications for certification of preclicensing programs shall be submitted to the commissioner not less than 30 days prior to the expected use of the program. Each application shall be on the forms 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 preclicensing program;

2. an outline of the 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 program, and the cost of the program to each participant;

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

4. if the program is not a verifiable self-study program, information regarding the supervising instructor on the form required by the commissioner and a resume for that instructor that clearly illustrates the instructor meets the minimum requirements of §517 of this Rule;

5. if the program is not a self-study program, information regarding all proposed instructors of the preclicensing program on the form required by the

commissioner and a resume for those instructors that clearly illustrates the instructors meet the minimum requirements of §517 of this Rule. The information submitted must include:

- a. disclosure of any disciplinary action for insurance related practices by the department, the insurance department of any other state or any similar state or federal regulatory body against any proposed instructor of the preclicensing program;

- b. disclosure of any conviction or entry of a nolo contendere plea to any felony, participation in a pretrial diversion program pursuant to a felony charge or conviction of any misdemeanor involving moral turpitude or public corruption of any proposed instructor of the preclicensing program;

6. if the program is not a verifiable 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 §519 of this Rule.

B. A provider may request that any course materials that are 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 maintain detailed attendance records for all program presentations for three years following completion of the presentation. The records shall be made available for review by the commissioner upon request.

D. The provider shall not allow credit for hours for any program work which is not supervised instruction or completed by verifiable self-study.

E. No provider shall advertise or conduct a preclicensing program prior to receiving written confirmation of the certification of the program from the commissioner.

F. Any material changes to information submitted to the commissioner in association with an application for certification of a preclicensing program which 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 program presentation. A material change shall include:

1. changes to the instructors of the preclicensing program;

2. changes to facilities where the preclicensing program will be presented;

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

G. A provider shall notify the commissioner of the date, time and physical location of any presentation of an approved course no less than three days before the beginning of that presentation. This notification shall be in the format and on such forms as the commissioner may require.

H. If a provider utilizes published course 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 course. 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.

I. 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 60 days prior to the expiration of the certification.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2170 (July 2011).

§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. Programs shall be credited in full hours only. The number of hours shall be equivalent to the actual number of hours in instruction or participation. Each hourly period must include at least 50 minutes of continuous instruction or participation. For this purpose, a one-day 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.

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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2171 (July 2011).

§517. Instructor Qualifications

A. Every provider of prelicensing programs shall submit to the commissioner on the forms and in the format required by the commissioner the name and qualifications of all instructors for the prelicensing program. The supervisory instructor shall be responsible for the conduct of any other instructors or guest instructors and shall be responsible for assuring the quality of the instructional program. Every supervisory instructor shall have a minimum of five years of insurance experience and/or graduate level or professional education satisfactory to the commissioner.

B. All instructors must possess the necessary qualifications to enable them to teach the program and to present the instructional material. Special consideration may be granted where it is determined by the commissioner that the specific background of the instructor warrants such consideration.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2171 (July 2011).

§519. Training Facilities Requirements

A. For every program other than a verifiable self-study program, the provider shall furnish training facility descriptions when making application for certification of a prelicensing program. 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 for the exclusive use of the 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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2171 (July 2011).

§521. Authority of the Commissioner to Conduct On-Site Review of Prelicensing Programs

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

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011).

§523. Course Completion

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

B. The 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 completion of a course. The list shall contain the name, resident address and such distinct information as necessary to clearly identify all individuals who successfully completed the program. Every prelicensing

program provider shall submit a copy of the list to the commissioner within 15 working days of the end of a program presentation.

C. The provider shall also maintain electronic records of course 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. The provider shall present a certificate of successful completion to each producer license candidate who successfully completes the prelicensing program. This certificate shall be in a form acceptable to the commissioner and shall include the name of the producer license candidate and the identification number assigned to the prelicensing program by the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011).

§525. Fees

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).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011).

§527. Complaints

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

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011).

§529. Violations

A. The commissioner may deny, suspend, or rescind the certification of a prelicensing program should he find the program, the instructors or the provider of the 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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1571 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2172 (July 2011).

Chapter 7. Rule Number 10— Continuing Education

§701. Authority

A. This Rule is promulgated in accordance with R.S. 22:1573, R.S. 22:1673, R.S. 22:1678, R.S. 22:1702, and R.S. 22:1708.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1573, R.S. 22:1673, R.S. 22:1678, R.S. 22:1702, R.S. 22:1708 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2173 (July 2011).

§703. Purpose

A. The purpose of this Rule is to protect the public, maintain high standards of professional competency in the insurance industry, and maintain and improve the insurance skills and knowledge of producers and adjusters licensed by the department. This shall be accomplished by prescribing the following:

1. minimum standards of continuing education in approved subjects that a licensee must periodically complete;
2. procedures and standards for the approval of such education; and
3. a procedure for establishing to the department that continuing education requirements have been met.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1573, R.S. 22:1673, R.S. 22:1678, R.S. 22:1702, R.S. 22:1708 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 37:2173 (July 2011).

§705. Applicability and Scope

A. This Rule applies to all natural persons who are licensed by the department as producers for the lines of life, health and accident, property, casualty, bail bonds, personal lines or title and all adjusters licensed by the department. This Rule shall also apply to the providers of continuing education programs and instructors for such programs.

B. The requirement for the completion of continuing education shall not apply to the following:

1. nonresident licensees who have met the continuing education requirements in their home state. If a producer or adjuster is not required to take continuing education in his home state that producer or adjuster is not required to submit continuing education credits to renew his Louisiana license;