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☐ EMERGENCY RULE ☒ NOTICE OF INTENT ☐ RULE ☐ POTPOURRI

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This is your authority to publish in the (month) JANUARY, 20 21 Louisiana Register the document indicated above.**OFFICE OF THE COMMISSIONER**

Office/Board/Commission promulgating this document

**JAMES J. DONELON COMMISSIONER**

(name)

(title)

Name and title of person whose signature will appear in the publication (at the end of the document)

**DEPARTMENT OF INSURANCE**

Department under which office/board/commission is classified

**JENNIFER LAND 225-342-6621 225-342-1632**

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**RULE 9-PRELICENSING EDUCATION**

Short descriptive listing for this document to be used in the Louisiana Register's TABLE OF CONTENTS/INDEX

**NOI TO AMEND RULE 9**

File name



Signature of Agency Head or Designee

**Nicholas Lorusso, Chief Deputy Commissioner**

Print Name and Title of Agency Head or Designee

**Important:** If submitting both an Emergency Rule (ER) and a Notice of Intent (NOI) to be published this month, AND if the rule text in the ER is identical to the rule text in the NOI, check here: ☐**CERTIFICATION OF AVAILABLE FUNDS**

DOCUMENT # \_\_\_\_\_

**ISIS AGENCY:** I certify the availability of fiscal year \_\_\_\_\_ appropriated funds for the payment of the above referenced publication and authorize the processing of an Interagency Billing with the following coding on the 30th of the month of the publication. Attach supplemental sheet for additional lines of coding.

AGENCY

ORGANIZATION #

OBJECT

SUB-OBJECT

REPORTING CATEGORY

**NON-ISIS AGENCY:** I certify the availability of fiscal year 20-21 appropriated funds for the payment of the above referenced publication and agree to place corresponding invoice in line for payment upon receipt.

Billing Address for Agencies:

LA Dept. of Insurance  
Agency NameP.O. Box 94214  
Street Address or Post Office BoxBaton Rouge LA  
City70804-9214  
Zip CodeStephanie Kendrick 342-3918  
Signature of Agency Head or Designee - Phone #

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## **NOTICE OF INTENT**

**Department of Insurance  
Office of the Commissioner  
Rule 9—Prelicensing Education  
(LAC 37:XI.Chapter 5)**

The Department of Insurance, pursuant to the authority of the Louisiana Insurance Code, R.S. 22:1 et seq., and in accordance with the Administrative Procedure Act, R.S. 49:950 et seq., hereby gives notice of its intent to amend Rule 9—Prelicensing Education. The purpose of the amendment to Rule 9 is to expeditiously implement the numerous revisions to the Louisiana Insurance Code since the effective date of the current Rule.

### **Title 37**

### **INSURANCE**

### **Part XI. Rules**

#### **Chapter 5. Rule Number 9—Prelicensing Education**

##### **§501. Authority**

A. This Rule is promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571 and R.S. 22:1808.2.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

##### **§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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

##### **§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.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§507. Effective Date**

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

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§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.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§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 preclicensing 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 preclicensing 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 preclicensing 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 preclicensing 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 preclicensing program, the candidate shall be tested by the provider of the preclicensing program. The candidate shall not be deemed to have successfully completed the preclicensing program unless they have correctly answered a minimum of 70 percent of test questions.

H. When concurrent preclicensing 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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§513. Program Certification Requirements**

A. An application for certification of a preclicensing program shall be submitted to the commissioner not less than 30 days prior to the expected use of the preclicensing 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 preclicensing program;
2. an outline of the preclicensing 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 preclicensing program, a schedule of the preclicensing program which clearly indicates the time spent on each subject, and the cost of the preclicensing 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 preclicensing program;
4. a statement describing how the preclicensing program generates a sufficient number of inquiries to illustrate that the candidate has mastered the information;
5. if the preclicensing 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 preclicensing program presentation shall be filed with the commissioner no less than three days prior to the scheduled beginning date of the preclicensing program presentation;
6. if the preclicensing 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 preclicensing program is a self-study program, a description of the measures used by the provider to verify identity of the participants;
8. if the preclicensing 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 preclicensing 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 preclicensing program is a self-study program, a user ID and log-in credentials to permit the commissioner to view the preclicensing program in the same environment and under the same conditions that will be permitted for the participants.

B. A provider may request that any preclicensing 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 preclicensing program work that is not conducted under the direct supervision of the preclicensing program instructor at the approved facility during scheduled preclicensing 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 preclicensing 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 preclicensing program presentation. A material change shall include either of the following:

1. changes to the instructors of the preclicensing program;
2. changes to the text books, resource material or training materials to be used in the preclicensing program.

E. Preclicensing 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 preclicensing 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 preclicensing program unless the preclicensing program meets the following standards:

1. The preclicensing program must include sufficient content to prepare the candidate for the licensing examination.
2. The preclicensing program must be developed by persons who are qualified in the subject matter and instructional design.
3. The preclicensing 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 preclicensing 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 preclicensing program prior to approval by the commissioner.

J. Certification of a preclicensing 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.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§515. Measurement of Credit Hours**

A. ...

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. ...

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§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.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§519. Instructor Qualifications**

A. Every provider of a prelicensing program shall designate an individual as a supervisory instructor. 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. Nonsupervisory instructors shall meet at least one of the following criteria:

1. have a minimum of three years experience as an insurance instructor with experience in the subject area being taught;
2. have been licensed for at least five years as a licensee in this state or another;
3. hold a national designation directly related to the subject matter being taught;
4. be in a profession pertinent to the subject matter being taught.

C. Special consideration may be granted by the commissioner where it is determined that the specific background of the instructor warrants such consideration.

D. Every instructor and supervisory instructor shall notify the provider and the commissioner of:

1. any administrative action taken against the supervisory instructor or instructor for insurance related practices by any regulatory or governmental agency;
2. 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 on the part of the supervisory instructor or instructor.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§521. Training Facilities Requirements**

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.

**AUTHORITY NOTE:** Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§523. 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 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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§525. Program Completion**

A. All candidates shall complete the required instructional preclicensing program prior to taking the insurance licensing examination administered by the department or contracted testing vendor. The candidate shall successfully complete the instructional preclicensing 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 preclicensing 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 preclicensing program by the commissioner and the name and such distinct information as necessary to clearly identify all individuals who successfully completed the preclicensing program, including the date of course completion. Every provider shall submit a copy of the list to the commissioner within 15 calendar days of preclicensing 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 preclicensing 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 preclicensing 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 preclicensing program by the commissioner.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§527. Fees**

A. All applications submitted to the commissioner seeking certification of a preclicensing 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. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§529. Complaints**

A. The commissioner shall review all complaints lodged against a provider, supervisory instructor or instructor of a preclicensing 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.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, R.S. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

#### **§531. Violations**

A. The commissioner may deny, suspend, or rescind the certification of a preclicensing program should he find the preclicensing program, the instructors or the provider of the preclicensing 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 preclicensing 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 preclicensing 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. 22:1189, R.S. 22:1545, R.S. 22:1547, R.S. 22:1571, R.S. 22:1808.2, 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), amended LR

### **Public Comments**

Interested persons who wish to make comments may do so by writing to Jennifer Land, Staff Attorney, Louisiana Department of Insurance, P.O. Box 94214, Baton Rouge, LA 70804-9214, or by faxing comments to (225) 342-1632. Comments will be accepted through the close of business, 4:30 p.m., February 19, 2021.

James J. Donelon  
Commissioner

### **Family Impact Statement**

1. Describe the Effect of the Proposed Regulation on the Stability of the Family. The proposed amended rule should have no measurable impact upon the stability of the family.
2. Describe the Effect of the Proposed Regulation on the Authority and Rights of Parents Regarding the Education and Supervision of their Children. The proposed amended rule should have no impact upon the rights and authority of parents regarding the education and supervision of their children.
3. Describe the Effect of the Proposed Regulation on the Functioning of the Family. The proposed amended rule should have no direct impact upon the functioning of the family.
4. Describe the Effect of the Proposed Regulation on Family Earnings and Budget. The proposed amended rule should have no direct impact upon family earnings and budget.
5. Describe the Effect of the Proposed Regulation on the Behavior and Personal Responsibility of Children. The proposed amended rule should have no impact upon the behavior and personal responsibility of children.
5. Describe the Effect of the Proposed Regulation on the Ability of the Family or a Local Government to Perform the Function as Contained in the Rule. The proposed amended rule should have no impact upon the ability of the family or a local governmental unit to perform the function as contained in the rule.

### **Small Business Analysis**

The impact of the proposed regulation on small businesses as defined in the Regulatory Flexibility Act has been considered. It is estimated that the proposed action is not expected to have a significant adverse impact on small businesses. The agency, consistent with health, safety, environmental and economic welfare factors has considered and, where possible, utilized regulatory methods in the drafting of the proposed regulation that will accomplish the objectives of applicable statutes while minimizing the adverse impact of the proposed regulation on small businesses.

1. Identification and Estimate of the Number of the Small Businesses Subject to the Proposed Rule. The proposed amended rule should have no measurable impact upon small businesses.
2. The Projected Reporting, Record Keeping, and Other Administrative Costs Required for Compliance with the Proposed Rule, Including the Type of Professional Skills Necessary for Preparation of the Report or Record. The proposed amended rule should have no measurable impact upon small businesses.
3. A Statement of the Probable Effect on Impacted Small Businesses. The proposed amended rule should have no measurable impact upon small businesses.
4. Describe any Less Intrusive or Less Costly Alternative Methods of Achieving the Purpose of the Proposed Rule. The proposed amended rule should have no measurable impact on small businesses; therefore, will have no less intrusive or less cost alternative methods.

### **Poverty Impact Statement**

1. Describe the Effect on Household Income, Assets, and Financial Security. The proposed amended rule should have no effect on household income assets and financial security.

2. Describe the Effect on Early Childhood Development and Preschool through Postsecondary Education Development. The proposed amended rule should have no effect on early childhood development and preschool through postsecondary education development.

3. Describe the Effect on Employment and Workforce Development. The proposed amended rule should have no effect on employment and workforce development.

4. Describe the Effect on Taxes and Tax Credits. The proposed amended rule should have no effect on taxes and tax credits.

5. Describe the Effect on Child and Dependent Care, Housing, Health Care, Nutrition, Transportation and Utilities Assistance. The proposed amended rule should have no effect on child and dependent care, housing, health care, nutrition, transportation and utilities assistance.

#### **Provider Impact Statement**

1. Describe the Effect on the Staffing Level Requirements or Qualifications Required to Provide the Same Level of Service. The proposed amended rule will have no effect.

2. The Total Direct and Indirect Effect on the Cost to the Provider to Provide the Same Level of Service. The proposed amended rule will have no effect.

3. The Overall Effect on the Ability of the Provider to Provide the Same Level of Service. The proposed amended rule will have no effect.

**FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES**

Person Preparing Statement: <u>Anita R. Robert</u>	Department: <u>Louisiana Department of Insurance</u>
Phone: <u>(225) 219-0609</u>	Office: <u>Management &amp; Finance</u>
Return Address: <u>P. O. Box 94214</u> <u>Baton Rouge, LA</u> <u>70804-9214</u>	Rule Title: <u>Prelicensing Education</u>
	Effective Date: <u>Upon Publication</u>

**SUMMARY**

(Use Complete Sentences)

In accordance with Section 953 of Title 49 of the Louisiana Revised Statutes, there is hereby submitted a fiscal and economic impact statement on the rule proposed for adoption, repeal or amendment. THE FOLLOWING STATEMENTS SUMMARIZE ATTACHED WORKSHEETS, I THROUGH IV AND WILL BE PUBLISHED IN THE LOUISIANA REGISTER WITH THE PROPOSED AGENCY RULE.

**I. ESTIMATED IMPLEMENTATION COSTS (SAVINGS) TO STATE OR LOCAL GOVERNMENTAL UNITS. (Summary)**

The proposed rule change will not result in implementation costs or savings to state or local governmental units. The proposed rule amends Rule 9 that was promulgated in 2011 for Prelicensing Education requirements. The proposed rule is being amended to implement various revisions to comply with current practice of the Louisiana Insurance Code thereby codifying existing law.

**II. ESTIMATED EFFECT ON REVENUE COLLECTIONS OF STATE OR LOCAL GOVERNMENTAL UNITS. (Summary)**

The proposed rule will have no impact on state or local governmental revenues.

**III. ESTIMATED COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL BUSINESSES, OR NON-GOVERNMENTAL GROUPS. (Summary)**

The proposed rule amending Rule 9 will have no impact on economic costs or benefits to directly affected persons or non-governmental groups. The proposed rule codifies existing law. The proposed rule applies 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. Also, the proposed rule applies to the providers of the prelicensing program and the instructors for said programs.

**IV. ESTIMATED EFFECT ON COMPETITION AND EMPLOYMENT. (Summary)**

The proposed rule will have no impact upon competition and employment in the state.



Denise Gardner, Chief of Staff  
La. Department of Insurance



Legislative Fiscal Officer or Designee

1/5/2021

Date of Signature

1/6/21

Date of Signature

FISCAL AND ECONOMIC IMPACT STATEMENT  
FOR ADMINISTRATIVE RULES

The following information is required in order to assist the Legislative Fiscal Office in its review of the fiscal and economic impact statement and to assist the appropriated legislative oversight subcommittee in its deliberations on the proposed rule.

- A. Provide a brief summary of the content of the rule (if proposed for adoption or repeal) or a brief summary of the change in the rule (if proposed for amendment). Attach a copy of the notice of intent and a copy of the rule proposed for initial adoption or repeal (or, in the case of a rule change, copies of the current and proposed rules with amended portions indicated).

The proposed rule change will not result in implementation costs or savings to state or local governmental units. The proposed rule amends Rule 9 – Preclicensing Education to implement numerous revisions to the Louisiana Insurance Code since the effective date of the current rule.

The revisions are as follows:

- Exemptions from any preclicensing education requirements are outlined in the amended rule.
- Various definitions updated or added to clarify the rule.
- Preclicensing requirements are updated
- Outlines current program certification requirements
- Measurement of credit hours as applied to self study are determined by the Commissioner upon consideration of listed criteria in the rule.
- Clarifies class room hours
- Provider requirements outlined by criteria in the rule
- Instructor qualifications listed in the rule
- Training facilities requirements
- Authority of Commissioner to conduct on-site review of preclicensing programs.
- Program Completion
- Fees outlined
- Complaints
- Violations

- B. Summarize the circumstances which require this action. If the action is required by federal regulations, attach a copy of the applicable regulation.

The Louisiana Department of Insurance (LDI) is tasked with administering the Insurance Code, which regulates the business of insurance in all of its phases. The proposed rule is necessary to codify existing law.

- C. Compliance with Act 11 of the 1986 First Extraordinary Session:

- (1) Will the proposed rule change result in any increase in expenditure of funds? If so, specify the amount and source of funding.

No increase in expenditure of funds is anticipated as a result of the proposed rule.

- (2) If the answer to (1) above is yes, has the Legislature specifically appropriated the funds necessary for the associated expenditure increase?

\_\_\_\_ Yes. If yes, provide documentation.

\_\_\_\_ No. If no, provide justification as to why this rule change should be published at this time

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET

**I. A. COSTS OR SAVINGS TO STATE AGENCIES RESULTING FROM ACTION PROPOSED.**

1. What is the anticipated increase (decrease) in costs to implement the proposed action?

LDI does not anticipate any implementation costs (savings) as a result of the proposed rule.

COSTS	FY 21	FY 22	FY 23
Personal Services	0	0	0
Operating Expenses	0	0	0
Professional Services	0	0	0
Other Charges	0	0	0
Equipment	0	0	0
Major Repairs & Constr.	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>POSITIONS (#)</b>			

2. Provide a narrative explanation of the costs or savings shown in "A.1" above, including the increase or reduction in workload or additional paperwork (number of new forms, additional documentation, etc.) anticipated as a result of the implementation of the proposed action. Describe all data, assumptions, and methods used in calculating these costs.

The proposed rule will have no impact on state or local governmental revenues.

3. Sources of funding for implementing the proposed rule or rule change.

SOURCE	FY 21	FY 22	FY 23
STATE GENERAL FUND	0	0	0
AGENCY SELF-GENERATED	0	0	0
DEDICATED	0	0	0
FEDERAL FUNDS	0	0	0
OTHER (SPECIFY)	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>0</b>	<b>0</b>

4. Does your agency currently have sufficient funds to implement the proposed action? If not, how and when do you anticipate obtaining such funds?

No additional funding is necessary to implement the proposed rule amending Rule 9.

**B. COSTS OR SAVINGS TO LOCAL GOVERNMENTAL UNITS RESULTING FROM THE ACTION PROPOSED.**

1. Provide an estimate of the anticipated impact of the proposed action on local governmental units, including adjustments in workload and paperwork requirements. Describe all data, assumptions and methods used in calculating this impact.

There is no impact on local governmental units as a result of the proposed rule.

2. Indicate the sources of funding of local governmental unit(s) which will be affected by these cost or savings.

Not applicable.

FISCAL AND ECONOMIC IMPACT STATEMENT  
WORKSHEET  
(Continued)

II. EFFECT ON REVENUE COLLECTIONS OF STATE AND LOCAL GOVERNMENTAL UNITS

A. What increase (decrease) in revenues can be anticipated from the proposed action?

The proposed rule will have no impact on state or local governmental revenues.

REVENUE INCREASE/DECREASE	FY 21	FY 22	FY 23
STATE GENERAL FUND	0	0	0
AGENCY SELF- GENERATED	0	0	0
DEDICATED FUNDS*	0	0	0
FEDERAL FUNDS	0	0	0
LOCAL FUNDS	0	0	0
TOTAL	0	0	0

\*Specify the particular fund being impacted.

- B. Provide a narrative explanation of each increase or decrease in revenues shown in "A".  
Describe all data, assumptions and methods used in calculating these increases or decreases.

III. COSTS AND/OR ECONOMIC BENEFITS TO DIRECTLY AFFECTED PERSONS, SMALL  
BUSINESSES, OR NON-GOVERNMENTAL GROUPS

- A. What persons, small businesses, or non-governmental groups would be directly affected by the proposed action? For each, provide an estimate and a narrative description of any effect on costs, including workload adjustments and additional paperwork (number of new forms, additional documentation, etc.) they may have to incur as a result of the proposed action.

The proposed rule will have no impact on economic costs or benefits to directly affected persons or non-governmental groups. The proposed rule codifies existing law. The proposed rule amends Rule 9 that applies to all individuals seeking to be licensed as an insurance producer or insurance consultant who are required by statute to complete a precicensing program prior to taking an insurance examination. Also, the proposed rule applies to the providers of the precicensing program and the instructors for said programs.

- B. Also provide an estimate and a narrative description of any impact on receipts and/or income resulting from this rule or rule change to these groups.

The proposed rule will have no impact on receipts or revenues of directly affected persons, small businesses, or non-governmental groups.

IV. EFFECTS ON COMPETITION AND EMPLOYMENT

Identify and provide estimates of the impact of the proposed action on competition and employment in the public and private sectors. Include a summary of any data, assumptions and methods used in making these estimates.

The proposed rule will have no impact upon competition and employment in the state. The proposed rule codifies existing law.