



## LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON  
COMMISSIONER

### ADVISORY LETTER 2019-02

**TO:** ALL LIMITED LINE INSURANCE PRODUCERS APPOINTED WITH HOMESTEADERS LIFE, LINCOLN HERITAGE LIFE, SELECTED FUNERAL LIFE INSURANCE COMPANY, AMERICAN BENEFIT LIFE INSURANCE COMPANY, AMERICAN NATIONAL INSURANCE COMPANY, AMERICAN RETIREMENT LIFE INSURANCE COMPANY, FUNERAL DIRECTORS LIFE INSURANCE COMPANY, GULF GUARANTY LIFE INSURANCE COMPANY, LIBERTY BANKERS LIFE INSURANCE COMPANY, LIBERTY NATIONAL LIFE INSURANCE COMPANY, NATIONAL GUARDIAN LIFE INSURANCE COMPANY, SECURITY NATIONAL LIFE INSURANCE COMPANY, UNION SECURITY INSURANCE COMPANY, UNITY FINANCIAL LIFE INSURANCE COMPANY

**FROM:** JAMES J. DONELON, COMMISSIONER OF INSURANCE

**RE:** AVAILABILITY OF TEMPORARY LICENSING FOR CERTAIN LIMITED LIFE, HEALTH AND ACCIDENT LICENSEES

**DATE:** APRIL 26, 2019

Pursuant to La. R.S. 22:1547(A)(10), an insurance producer may be licensed for the "limited life, health and accident" line of authority. The law provides this line "...provides insurance coverage pursuant to R.S. 22:142. A license for limited life may allow the producer to sell life insurance in an amount not to exceed thirty thousand dollars when appointed by an insurer which meets the minimum financial requirements of, and is licensed pursuant to, R.S. 22:82(A)(1) or 112(A)(1), and when such policies are issued by such insurer."

The statute imposes limitations on the products that can be sold under the limited life, health and accident line of authority on a producer license. A review of appointments of limited life, health and accident producers revealed a number of insurers have appointed producers who only hold limited life, health and accident authority, but are selling products outside of the scope of the limited license.

On February 22, 2018, the Louisiana Department of Insurance [LDI] initially sent notification to these insurers by e-mail advising of the compliance issue, as well as the need for their producers to obtain the proper licensure in order to continue selling their products. (See attached) The LDI sent an additional notification on March 22, 2019 by e-mail.


It has been brought to our attention some insurers have imposed specific time frames on their producers to comply with the licensing requirement. These time frames were largely aligned

with the annual appointment renewal date of May 1. It was not the intention of the LDI to impact or disrupt the livelihood of these producers. In an effort to assist any affected producers with obtaining proper licensing and become compliant with existing state law, the LDI will authorize the issuance of temporary licenses for those producers who hold limited life, health and accident authority and were appointed by one or more of the insurers notified of the compliance issue. Any temporary license issued for this purpose will be valid for a period of ninety (90) days or until the licensee is issued a full line authority, whichever comes first. However, those producers must complete the requirements and apply for the correct line of authority prior to the expiration of the temporary license. Applications for a temporary license will be accepted for this purpose through June 1, 2019.

The application fee is \$75.00 and the license application is available on the LDI website at [https://www.lidi.la.gov/docs/default-source/documents/licensing/producers/1546a-january-20186451202a8b9e6b8a94f4ff0000585bf2.pdf?sfvrsn=a3ed7652\\_6](https://www.lidi.la.gov/docs/default-source/documents/licensing/producers/1546a-january-20186451202a8b9e6b8a94f4ff0000585bf2.pdf?sfvrsn=a3ed7652_6)

Questions regarding the temporary application process can be directed to Producer Licensing at (800) 259-5300 or via email at [producerlicensing@lidi.la.gov](mailto:producerlicensing@lidi.la.gov)

Baton Rouge, Louisiana this 26<sup>th</sup> day of April, 2019.

  
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NICHOLAS J. LORUSSO  
CHIEF DEPUTY COMMISSIONER



## **Louisiana Appointment Renewal Process for 2019**

Dear Louisiana Insurers with Active Producer Appointments,

All company appointments expire on April 30 of each year and must be renewed by the insurance company prior to that time. Invoices are generated each year around the end of March to renew all appointments in effect as of the date of invoicing and are posted to the NIPR website. The appointment renewal fee is \$20. **Terminations for any producers whose appointments you do not wish to continue must be submitted and processed prior to invoicing.** Invoices will not be adjusted and fees will not be refunded. If an invoice is not paid by the due date, all appointments will expire and will require re-appointment. New appointments submitted after the generation of the invoice will expire the following year. The specific dates for generating and posting of invoices may vary from year to year to accommodate weekends and holidays. The dates for 2019 are listed below.

### **Key Information for 2019**

- Active producer and agency appointments on record as of March 26, 2019, will be invoiced for renewals.
- The NIPR website ([www.nipr.com](http://www.nipr.com)) will display the renewal invoice and a list of appointment renewals beginning at 4:00 pm CST on March 28, 2019.
- The invoices will no longer be displayed on the NIPR website after May 1, 2019.
- NIPR will display the invoices as paid, once payment is received.
- Louisiana appointments paid through the appointment renewal invoice will also be updated after the renewal period ends on May 1, 2019 with the effective date of May 1, 2019.
- Any producers newly appointed after the generation of the invoice will expire April 30, 2020.

### **IMPORTANT**

Insurers are urged to review their appointed producers to ensure that the producer holds an active license and holds the proper lines of authority to sell their products. Appointments for producers holding lines that are not qualified to sell products offered by a specific insurer are subject to non-renewal. Of particular concern are producers holding only a Limited Life, Health and Accident line appointed with carriers marketing products requiring a producer license with major line Life and/or Accident & Health or Sickness authority to sell. Carriers should review the definition of Limited Life, Health and Accident found [La R.S. 22:1547 A \(10\)](#) for guidance on what products can be sold with this limited authority.

This notice was also sent by the Louisiana Department of Insurance (LDI) via e-mail to individuals identified as Primary Contacts and Producer Licensing Contacts in LDI records. If a change is needed in contact notifications, the procedures for doing so can be found on our website at <http://www.lidi.la.gov/industry/company-licensing/application-forms/ucaa/change-of-address-contact>

If you have any questions regarding this notice, please contact the Producer Licensing Division at [producerlicensing@ldi.la.gov](mailto:producerlicensing@ldi.la.gov).