



LOUISIANA DEPARTMENT OF INSURANCE
JAMES J. DONELON
COMMISSIONER

ADVISORY LETTER NO. 2019-03

TO: ALL INSURERS WITH APPOINTED PRODUCERS IN LOUISIANA

FROM: JAMES J. DONELON, COMMISSIONER

RE: ACT 226 OF THE 2019 REGULAR LEGISLATIVE SESSION

DATE: JUNE 20, 2019

Advisory Letter No. 2019-03 is hereby issued to inform regulated entities of changes to producer appointment fees and fee due dates pursuant to Act 226 of the 2019 Regular Session and to provide guidance as to how the Louisiana Department of Insurance ("LDI") will implement the Act.

Act 226 became effective on June 11, 2019. Prior to Act 226, La. R.S. 22:821(B)(3)(b) provided that the fee for all initial and renewal appointments was \$20, and Regulation 109, §15517(A) provided that the annual renewal date for all appointments was April 30. Act 226 provides for different fees for individual producers and for business entities acting as insurance producers ("producer agencies"). Additionally, the Act provides for separate renewal dates for each type of appointment. Given that the Act has already become effective, all insurers with appointed producers are urged to bring themselves into compliance with Advisory Letter No. 2019-03 by the dates provided herein.

Individual Producer Appointment Fees and Renewal Dates

Pursuant to Act 226, fees for initial appointments of individual producers have increased from \$20 to \$30. This fee change will be effective for new appointments made on or after July 1, 2019. The fee to renew an individual producer appointment will remain \$20.

Renewal of individual producer appointments will now be due annually by January 1. Invoices for individual producer appointment renewals will be generated on or around November 27, 2019 and will be due on or before December 31, 2019. Appointments that are not renewed will expire on December 31, 2019. Once renewed, individual producer appointments will be active through December 31, 2020.

Producer Agency Appointment Fees and Renewal Dates

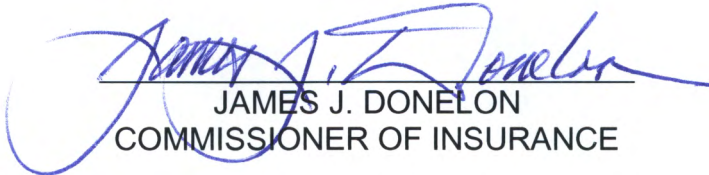
Pursuant to Act 226, fees for initial appointments of producer agencies have increased from \$20 to \$100. It is important to note that the appointment of a producer agency includes all licensed individuals who are affiliated with the producer agency, in accordance with the provisions of La. R.S. 22:1546(B). Affiliations can be verified on the LDI website at <https://www.lidi.la.gov/onlineservices/ProducerAdjusterSearch/>. The producer agency appointment renewal fee has also increased from \$20 to \$100. These fee changes will be effective for appointments made or renewed on or after July 1, 2019.

Renewal of producer agency appointments will now be due annually by August 1. Given that Regulation 109 previously set the annual renewal date for such appointments as April 30, the enactment of Act 226 now renders all existing producer agency appointments due for renewal again by August 1, 2019.

For producer agency appointments that were renewed by April 30, 2019 at the previous fee amount of \$20, the LDI will assess only \$80 for the renewal fees due pursuant to Act 226. Also, to permit for the practical implementation of Act 226, for the August 2019 producer agency renewals only, the invoice date will be extended. Invoices will be posted to the National Insurance Producer Registry on August 1, 2019 and will be due on or before September 3, 2019. Appointments that are not renewed on or before September 3, 2019 will expire on that date. Renewed producer agency appointments will remain active through July 31, 2020.

Questions regarding Advisory Letter No. 2019-03 or its application should be directed to the Office of Licensing at (225) 219-5941 or by e-mail at producerlicensing@ldi.la.gov.

Baton Rouge, Louisiana this 20th day of June 2019.



JAMES J. DONELON
COMMISSIONER OF INSURANCE