



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

BULLETIN 2017-05 (REVISED AND REISSUED)

TO: ALL LICENSED INSURANCE PRODUCERS
FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE
RE: PRODUCER AGENCY FEES
DATE: OCTOBER 18, 2022

Bulletin 2017-05, originally issued on June 29, 2017, advised all licensed insurance producers of amendments made to La. R.S. 22:855(B)(1), La. R.S. 22:855(B)(2)(c), and La. R.S. 22:1568(B) and the enactment of La. R.S. 22:855(B)(2)(d) by Act 63 of the 2017 Regular Session of the Louisiana Legislature (Act 63). Act 63 authorized agency fees on individual and group health insurance policies as well as supplemental benefit insurance policies; it also provided for notice and disclosure requirements relative to producer compensation, expenses, and agency fees. Bulletin 2017-05 is hereby revised and reissued in order to conform to current statutory terminology pursuant to Act 56 of the 2022 Regular Legislative Session (Act 56), which changed the term “life and health producer” to a “producer licensed for the line of accident and health or sickness.”

La. R.S. 22:855(B)(1) permits an agency fee as an additional charge over and above the premium quoted to the insured, any premium tax on surplus lines policies and any expense reimbursement due the “producer.” In this instance, as a result of the change in terminology, “producer” means a producer licensed for the line of accident and health or sickness. The additional agency fee charge is allowed for all lines of insurance, including but not limited to property insurance, casualty insurance, individual and group health insurance, and supplemental benefit insurance coverages. Pursuant to La. R.S. 22:855(B)(2)(b), agency fees for criminal bail bond, homeowners’ insurance, or personal automobile insurance that are standard risks insurable at standard rates shall not exceed \$25.00.

Additionally, La. R.S. 22:855(B)(2)(c) provides as follows:

1. That expenses or agency fees charged for an individual health insurance policy shall be disclosed on a separate document;

2. The separate document shall be signed by the named insured; and
3. The exclusive remedy for failure to obtain the signed disclosure document is the return of the expenses and agency fees collected.

La. R.S. 22:855 grants the Commissioner of Insurance the authority to promulgate rules to enforce the provisions of this section.

In accordance with the terminology change under Act 56, a producer licensed for the lines of accident and health or sickness may charge an agency fee pursuant to La. R.S. 22:1568 and negotiate the charge, fee, or any other form of compensation authorized by La. R.S. 22:855(B) directly with the insured, plan sponsor or employer group.

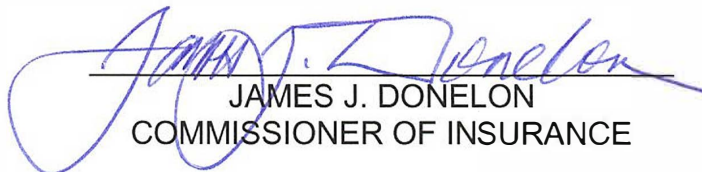
With regard to the insured, La. R.S. 22:1568(B) provides:

1. A “producer” shall provide notification in a separate written document of sufficient size and legibility that advises the insured that the insured may purchase the same health insurance policy online or by contacting a health care navigator;
2. The notice shall inform the insured that if the insured elects to purchase a health insurance policy with the insured’s current producer, then the insured may be charged a fee and expenses that the insured would not incur if the policy was purchased online or through a health care navigator; and
3. The required form shall be signed by the named insured.

Due to the terminology change by Act 56, the above requirements apply to a producer licensed for the line of accident and health or sickness.

If there are any questions or concerns regarding Bulletin 2017-05 (Revised and Reissued), please contact the Deputy Commissioner for the Office of Licensing at (225) 219-5941 or electronically at public@ldi.la.gov.

Baton Rouge, Louisiana this 18th day of October 2022.


JAMES J. DONELON
COMMISSIONER OF INSURANCE