



LOUISIANA DEPARTMENT OF INSURANCE

JAMES J. DONELON
COMMISSIONER

DIRECTIVE 211

TO: ALL INSURERS

FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE

RE: CHANGE OF PRODUCER OF RECORD

DATE: JUNE 28, 2018

The purpose of Directive 211 is to direct the attention of all insurers as defined in La. R.S. 22:46(10) to the law set forth in La. R.S. 22:1564 relative to "Producers of Record" and to the insurers' obligation to accept and recognize a change in the "producer of record" requested in writing by the owner of the policy or the first-named insured if there are multiple-named insureds under a particular contract.

It has come to my attention that some insurers, including surplus lines insurers, have refused to accept a written request for a change or removal in the "producer of record" on insurance policies. When the owner of the policy or the first-named insured requests in writing a change in the producer of record, the insurer shall accept the producer of record letter and make the requested change.

An insurance producer is defined in La R.S. 22:1542(6) as follows:

"Insurance producer" or "producer" shall mean a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance, and includes all persons or business entities otherwise referred to in this Code as "insurance agent" or "agent", or "insurance broker" or "broker", or "insurance solicitor" or "solicitor", or "surplus lines broker".

La. R.S. 22:1564 provides in pertinent part:

B.(1)(a) Any insurer issuing or delivering property, casualty, accident, or health insurance, or bonds in this state shall recognize a producer of record when selected by the owner of the policy or the first-named insured if there are multiple-named insureds in writing. The insurer shall recognize the producer of record for purposes of providing quotations or proposals or writing such policies or bonds. The insurer shall retain the producer of record who wrote such policies or bonds for the full term of the contracts or until the renewal date or termination of the contracts, whichever occurs first. The insurer shall not change or remove such producer by any producer of record letter which may be secured by another producer for

purposes of providing a quotation or proposal or for writing such policies or bonds during the term of such contracts until the renewal date of the contracts, unless the change or removal is requested by the owner of the policy or the first-named insured if there are multiple-named insureds under a particular contract. In such case, such owner or insured shall select the new producer of record.

....

B.(1)(c) If a change or removal of a producer is requested by an insured during a policy period, the insurer shall give the producer written notice ten calendar days in advance of the change or removal. If the insurer receives a request to change a producer within the last ten calendar days of the policy period, the insurer shall provide the required ten-calendar day notice; however, any required change of producer shall be effective on the inception date of the renewal policy.

....

B.(2) Except as provided in Paragraph (1) of this Subsection, no insurer or producer shall cancel and re-write any such contracts during the term of such contract or until the renewal date of the contract, whichever occurs first, which would change the producer of record.

....

B.(4) Upon the written request of the owner of the policy or the first-named insured if there are multiple-named insureds, an insurer shall permit such owner or insured to select another appointed insurance producer due to the termination, death, or retirement of a producer of record or for any other reason deemed appropriate by such owner or insured. Any renewal commission owed to the former producer of record shall be paid to the new producer of record upon the next renewal of the policy.

La. R.S. 22:1564(B)(1)(a) requires that an insurer recognize a producer of record when selected in writing by the owner of the policy or the first-named insured. Furthermore, as set forth in La. R.S. 22:1564(B)(1)(c), if the request for the change in the "producer of record" is made by the owner of the policy or the first-named insured during the policy period, the insurer is required by law to give the former producer written notice ten calendar days in advance of the change or removal. However, if the request is made within the last ten days of the policy, the change of producer shall be effective on the inception date of the renewal policy.

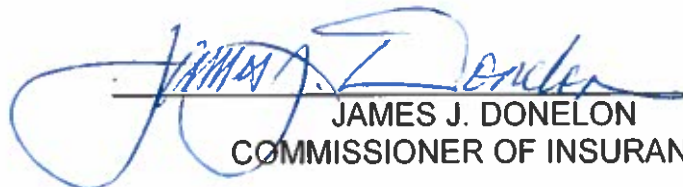
The restrictions on change or removal of the producer of record set forth in La. R.S. 22:1564(B) do not apply to:

1. Any producer who is an employee of an insurer or represents, by contractual agreement, only one insurer or a group of affiliated insurers under the Insurance Holding Company System Regulatory Law found in La. R.S. 22:691 et seq.;
2. Limited benefit health insurance policies or contracts authorized to be issued in Louisiana.

All insurers, including surplus lines insurers, who receive a request in writing from the owner of the policy or the first-named insured to change or remove the producer of record shall comply with the law and make the change or removal of the "producer of record" as set forth in La. R.S. 22:1564. Any insurer who refuses to accept a written request and recognize a change in the "producer of record" from the owner of the policy or the first-named insured may be in violation of La. R.S. 22:1564 and subject to regulatory sanctions.

For questions or clarification with regard to Directive 211, please contact the Louisiana Department of Insurance, Office of Licensing, by telephone at (225) 219-5941 or electronically at public@ldi.la.gov.

Baton Rouge, Louisiana, this 28th day of June 2018.



JAMES J. DONELON
COMMISSIONER OF INSURANCE