

| Claim Number 3<br>Actual Charge = \$110                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plan A<br>\$110<br>80 percent<br>\$88 Payable                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Plan B<br>\$110<br>80 percent<br>\$88 Payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Plan A pays \$88. Plan B pays the difference of the actual charge and the amount paid by Plan A (\$22). Plan B would have paid \$88 if primary, but only paid \$22, so the balance of the savings of \$66 goes into the benefit reserve account, which now totals \$3206. Plan B does not have to go back to any other prior claims to pay any incurred, but unpaid, allowable expenses, because there are none outstanding. So, the balance in the benefit reserve account remains unchanged at \$3206.   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Claim Number 4<br>Actual Charge = \$1500                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Plan A<br>\$1300 RVS<br>80 percent<br>\$1040 Payable                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Plan B<br>\$1100 RVS<br>80 percent<br>\$880 Payable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| The insured is liable for the difference between the actual charge and the highest amount under the relative value schedule (RSV) reimbursement methodology (\$200). Plan A pays \$1040. Plan B pays the difference between the highest RSV amount and the amount paid by Plan A (\$1300-\$1040=\$260). The benefit reserve account is increased by the difference between what Plan B would have paid if primary and the amount actually paid by Plan B (\$880-\$260=\$620), for a new balance of \$3826. |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Claim Number 5<br>Actual Charge = \$2295 for 51 visits                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| This claim involves spinal manipulation. Plan A provides up to 26 visits per year on an 80 percent/20 percent basis. Total actual charge of \$45 per visit is within RSV limits.                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Plan A<br>\$1170 RSV for 26 visits<br>80 percent<br>\$936 Payable                                                                                                                                                                                                                                                                                                                                                                                                                                          | Plan B has no coverage for spinal manipulation. However, because Plan A has coverage under its policy, the claim is considered an allowable expense for the 26 visits. Plan B must pay the 20% coinsurance (\$234) amount for the 26 visits from the benefit reserve account, leaving a final balance of \$3592. The remaining amount of \$1125 for the additional 25 visits is not payable by either Plan A or Plan B because it is not considered an allowable expense under Plan A. Plan A pays benefits for only 26 visits per year. Again, Plan B has no coverage for spinal manipulation. |

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:3.2014.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:67 (January 2018).

James J. Donelon  
Commissioner

1801#007

## RULE

### Department of Insurance Office of the Commissioner

#### Regulation 109—Producer, Adjuster and Related Licenses (LAC 37:XIII.Chapter 155)

In accordance with R.S. 49:950 et seq., the Administrative Procedure Act, and through the authority granted under R.S. 22:1 and 22:11, et seq., the Department of Insurance has adopted Regulation 109 to implement the provisions of Act 154 of the 2017 Regular Session of the Louisiana Legislature, specifically R.S. 22:821(B)(3) and 22:1546(B)(1)(a), in addition to 22:1547(C)(1), 22:255, 22:1545, 22:1554, 22:1558, 22:1563, 22:1671, 22:1694, 22:1808.8 and 22:1922 which provide for the licensing of insurance producers, claims adjusters, public adjusters, insurance consultants and the licensing of business entities as insurance producers.

#### Title 37

#### INSURANCE

#### Part XIII. Regulations

#### Chapter 155. Regulation Number 109—Producer, Adjuster and Related Licenses

##### §15501. Purpose

A. Regulation 109 implements the provisions of Act 154, of the 2017 Regular Session of the Louisiana Legislature, specifically R.S. 22:821(B)(3) and 22:1546(B)(1)(a), in addition to 22:1547(C)(1), 22:255, 22:1545, 22:1554, 22:1558, 22:1563, 22:1671, 22:1694, 22:1808.8 and 22:1922 which provide for the licensing of insurance producers, claims adjusters, public adjusters, insurance consultants and business entities acting as producers.

B. The purpose of this regulation is:

1. to set forth requirements and procedures for applying for and maintaining a license as an insurance producer, claims adjuster, public adjuster, insurance consultant and business entity acting as a produce;
2. to set forth the time periods for expiration and renewal of insurance licenses.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:1545, 22:1550, 22:1554, 22:1558, 22:1678, 22:1708 22:1808.8 and 22:1922 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:68 (January 2018).

##### §15503. Applicability and Scope

A. Regulation 109 shall apply to all persons and all business entities seeking licensure or who hold a license as an insurance producer, claims adjuster, public adjuster or insurance consultant.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:1545, 22:1550, 22:1554, 22:1558, 22:1563, 22:1678, 22:1708, 22:1808.8 and 22:1922 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:68 (January 2018).

#### **§15505. Authority**

A. Regulation 109 is promulgated by the commissioner pursuant to the authority granted under the *Louisiana Insurance Code*, R.S. 22:1 et seq., particularly R.S. 22:11, and specifically R.S. 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:691.2(3), 22:1545, 22:1550, 22:1554, 22:1558, 22:1563, 22:1678, 22:1708, 22:1808.8 and 22:1922.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:691.2(3), 22:1545, 22:1550, 22:1554, 22:1558, 22:1563, 22:1678, 22:1708, 22:1808.8, 22:1922 and 22:1929(A) and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:69 (January 2018).

#### **§15507. Definitions**

A. For the purposes of Regulation 109 the following terms shall have the meaning ascribed herein unless the context clearly indicates otherwise.

*Applicant*—a person making application to the Louisiana Department of Insurance to obtain an insurance producer, claims adjuster, public adjuster or insurance consultant license.

*Business Entity*—as defined in R.S. 22:1542(2).

*Claims Adjuster*—as defined in R.S. 22:1661(1).

*Commissioner*—the commissioner of insurance of the Louisiana Department of Insurance.

*Control*—as defined in R.S. 22:691.2(3).

*Insurance Consultant*—as defined in R.S. 22:1808.1(B).

*Insurance License*—a license granted by the Louisiana Department of Insurance to do business as an insurance producer, claims adjuster, public adjuster or insurance consultant.

*Insurance Producer*—as defined in R.S. 22:1542(6).

*Public Adjuster*—as defined in R.S. 22:1692(7).

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:255, 22:691.2(3), 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:1545, 22:1550, 22:1554, 22:1678, 22:1708 and 22:1808.8 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:69 (January 2018).

#### **§15509. Licensing Application**

A. Every application for an insurance license shall be made on a form required by the commissioner and shall include all such information the commissioner deems necessary to determine compliance with the applicable statutes.

B. Complete application shall include all of the following:

1. a completed application form as required by the commissioner;

2. all documentation deemed necessary to explain any responses in the application form;

3. a passing examination score for each of the lines for which the application was made if an examination is required;

4. evidence that the individual's fingerprints have been submitted in compliance with the applicable provisions of the *Louisiana Insurance Code*;

5. any documents deemed necessary to verify the information contained in an application.

C. The commissioner may close as incomplete any application which the applicant fails to complete within 90 days of initial submission.

D. During review of a pending application, the applicant shall notify the commissioner of any changes to the information set forth in the application within five days of the date of such change.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:1545, 22:1550, 22:1554, 22:1678, 22:1708, 22:1808.8, 22:1922 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:69 (January 2018).

#### **§15511. Examinations**

A. Scheduling of examinations shall be as follows.

1. An applicant for a type of license for which an examination is required may schedule and sit for the examination prior to making application to the commissioner for such insurance license.

2. An individual seeking licensure for the bail bond line of authority shall complete the Bail Bond Apprenticeship Program as required by R.S. 22:1574 and provide evidence of such completion to the commissioner prior to scheduling or sitting for the examination.

B. Any required pre-licensing education must be completed before scheduling an examination. Proof of successful completion of pre-licensing requirements shall be provided to the commissioner or testing vendor prior to scheduling an examination.

C. An applicant for a line of authority for which an examination is required shall submit a completed application for that line within 365 days of passing the examination.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:1545, 22:1550, 22:1554, 22:1574, 22:1678, 22:1708, 22:1808.8, and 22:1922 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:69 (January 2018).

#### **§15513. Fingerprinting**

A. An individual making application for a resident insurance license shall submit a full set of fingerprints as required by the applicable provisions of the *Louisiana Insurance Code*. The fingerprints shall be submitted in the manner required by the commissioner.

B. The commissioner may require that any individual who is an officer, director, partner, member or who controls an applicant that is a business entity submit a full set of fingerprints in a manner required by the commissioner.

C. The applicant shall supply any additional information requested by the commissioner to clarify or explain findings of the criminal history obtained using the fingerprint or other search.

D. The commissioner may require that any applicant who fails to provide a completed application within 90 days of receipt of a criminal background check resubmit fingerprints in the manner required by the commissioner.

E. All communication regarding the results of a criminal background check shall be only with the applicant or his authorized legal representative.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:1545, 22:1550, 22:1554, 22:1678, 22:1708, 22:1808.8, 22:1922(C) and 22:1929(A) and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:69 (January 2018).

#### **§15515. License Expiration and Renewal**

A. Insurance licenses shall expire in the following manner.

1. An individual insurance license where the last number of the license is an even number shall expire on the last date of the birth month of the individual in even-numbered years.

2. An individual insurance license where the last number of the license is an odd number shall expire on the last date of the birth month of the individual in odd-numbered years.

3. A business entity license where the last number is an even number shall expire on March 31 in even-numbered years.

4. A business entity license where the last number is an odd number shall expire on March 31 in odd-numbered years.

B. A renewal application may be submitted up to 90 days prior to expiration of the license provided all requirements for renewal of the license have been met.

C. A licensee may choose to renew only some of the specific lines of an insurance license. Submission of such a renewal shall be considered cancellation of the lines not included in the renewal. The lines so cancelled may be reactivated within two years of cancellation by submitting an application to add the lines, including the fee required by R.S. 22:821(B)(3), and evidence that the licensee has met the continuing education required to maintain the lines.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:1545, 22:1550, 22:1554, 22:1678, 22:1708 and 22:1808.8 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:70 (January 2018).

#### **§15517. Expiration of Producer Appointments**

A. Insurance producer appointments shall expire on April 30 of each year. Appointments shall be renewed by payment of the renewal fee. The commissioner shall issue a renewal invoice for all active appointments to insurers on or about April 1 of each year in a manner determined by the commissioner. Failure to timely pay the renewal fee invoice shall result in the expiration of the appointments.

B. The insurer shall terminate any appointments that it does not wish to renew prior to the issuance of the renewal invoice.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:1545, 22:1550, 22:1554, 22:1558, 22:1678, 22:1708 and 22:1808.8 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:70 (January 2018).

#### **§15519. Reporting of Administrative Actions**

A. Every person who holds an insurance license shall report to the commissioner all administrative actions within 30 days of the final disposition of the action in the manner required by the commissioner. The report shall include a

copy of the order, consent agreement, stipulation or other relevant legal documents.

B. "Administrative actions" shall include any fines, revocations, suspensions or surrender of a license or registration in lieu of such actions imposed by any state or federal agency or any non-governmental entity with regulatory oversight of a license or registration. It shall also include any consent agreements, stipulations or other such agreement with any state or federal agency or non-governmental entity with regulatory oversight of a license or registration initiated as a result of allegations of wrongdoing or regulatory or legal infractions regardless of whether or not any wrongdoing was admitted by the licensee.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:1547(C)(1), 22:255, 22:1545, 22:1550, 22:1554, 22:1558, 22:1563, 22:1678, 22:1708 and 22:1808.8 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:70 (January 2018).

#### **§15521. Violations and Penalties**

A. Any failure to comply with this regulation shall be considered a violation of R.S. 22:1543, 22:1554, 22:1558, 22:1563, 22:1574, 22:1663, 22:1693, 22:1808.1 and 22:1808.8. Violations of this regulation shall subject the violators to penalties as provided by R.S. 22:1554, 22:1672, 22:1700 and 22:1808.12(B) and any other applicable provisions of law.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:255, 22:1545, 22:1550, 22:1554, 22:1563, 22:1678, 22:1708, 22:1808.8 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:70 (January 2018).

#### **§15523. Effective Date**

A. Regulation 109 shall become effective upon final publication in the *Louisiana Register* and shall apply to any act or practice committed on or after the effective date.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:255, 22:1545, 22:1550, 22:1678, 22:1708 and 22:1808.8 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:70 (January 2018).

#### **§15525. Severability**

A. If any Section or provision of Regulation 109 or the application to any person or circumstance is held invalid, such invalidity or determination shall not affect other Sections or provisions or the application of Regulation 109 to any persons or circumstances that can be given effect without the invalid Section or provision or application, and for these purposes the Sections and provisions of Regulation 109 and the application to any persons or circumstances are severable.

AUTHORITY NOTE: Promulgated in accordance with R.S. 22:11, 22:821(B)(3), 22:1546(B)(1)(a), 22:255, 22:1545, 22:1550, 22:1678, 22:1708 and 22:1808.8 and the Administrative Procedure Act, R.S. 49:950 et seq.

HISTORICAL NOTE: Promulgated by the Department of Insurance, Office of the Commissioner, LR 44:70 (January 2018).

James J. Donelon  
Commissioner

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