

Commissioner's Column

October 2017

Understanding the New Producer License Renewal Schedule and Other Legislative Changes

At the start of the new year, some significant changes are coming to the timeframes for license and appointment renewals as well as requirements for contact information reported to our agency. In this month's column, I'll touch on those changes which take effect in just a few months.

As of January 1, 2018, producer license renewals will no longer be renewed on a schedule that is set by the producer's line of business. In 2018 and beyond, the renewal year will be based on the individual's license number. Licenses that end in an even number will renew in even-numbered years. Licenses that end in an odd number will renew in odd-numbered years. If you have an even-numbered license and you last renewed in 2017, you will have to renew again in 2018 but you will not have to earn additional continuing education (CE) credits.

As an example, say you just renewed your license number 2468 for property and casualty when it expired on October 31, 2017. Your new renewal date will be October 31, 2018 (since your license ends in an even number). You will pay your renewal fee in October 2018 but will not have to complete CE credits again until you renew in 2020. To view more examples, please visit the producer renewal webpage www.lidi.la.gov/renewals.

Notices will be sent to licensees approximately 90 days prior to scheduled renewal. The National Insurance Producer Registry, or NIPR, recommended this revision to the renewal schedule as is being promoted nationally.

Renewing at the appropriate time will renew all eligible lines. Any lines of business not eligible to renew or that you choose not to renew will be cancelled from the license. You can reinstate a cancelled line by filing an initial application. As in current law, if you file an application to become relicensed for a cancelled line within two years of the cancellation, you will be exempt from the exam and pre-license education. If more than two years have passed since the cancellation of the line, you will need to complete pre-license education and re-test to add the line back on the application. As always, not completing your continuing education requirement will render a line ineligible for renewal.

As part of the recent changes, producer license application fees will no longer be based on lines of authority. All application fees will be \$75 with the exception of Surplus Lines (\$250) and Portable Electronics (\$200). Adding a line to an active license will be \$50. Application fees for claims adjusters remain unchanged.

The cost to renew a producer license is also changing. It will cost \$50 to renew one line and \$55 to renew two or more lines. Surplus lines authority will remain the same at \$350 and the

adjuster renewal fee remains unchanged at \$50. All of these changes are revenue neutral to the Louisiana Department of Insurance (LDI).

Also new in 2018 is the requirement for risk-bearing entities to file contact information annually with the LDI. If that information should change during the year, the contact information must be updated within 30 days. The annual update will be set up as part of the Licensee Contacts module within the Industry Access Portal on our website. Mid-year changes can be made through the Industry Access Portal or by filling out the Uniform Certificate of Authority Corporate Amendment Form 14 which is available from the NAIC. The paper form is also available via a link on the LDI website.

Additional legislative changes in the 2017 session include the requirement that all non-captive producers and any producer who sells products financed in whole or in part by a premium finance company are now required to maintain professional liability coverage or Errors and Omissions coverage if they are actively writing in Louisiana. That mandate was not part of the LDI legislative package. That law provides that failure to maintain coverage constitutes an unfair trade practice and that producers who are licensed for bail bonds are excluded from the requirement.

It is the hope of the LDI that the licensing changes we proposed will help streamline and simplify filings for agents and companies. We will do all we can to make the changes seamless. If you have questions or concerns about the new licensing requirements, please contact our Licensing Division staff who will be glad to assist you.