

Regular Session, 2012

HOUSE BILL NO. 1177

BY REPRESENTATIVE HARRISON

1 AN ACT

2 To enact R.S. 22:1576, relative to insurance producers; to require certain training for  
3 insurance producers in order to sell annuity products; to provide for the registration  
4 of annuity training course providers as continuing education providers; to require  
5 insurers to verify that a producer who sells annuities has satisfied annuity training  
6 requirements; and to provide for related matters.

7 Be it enacted by the Legislature of Louisiana:

8 Section 1. R.S. 22:1576 is hereby enacted to read as follows:

9 §1576. Producer training requirements to sell annuity products

10 A. An insurance producer shall not solicit the sale of an annuity product  
11 unless the insurance producer has adequate knowledge of such annuity product to  
12 make a recommendation and the insurance producer is in compliance with the  
13 insurer's standards for product training. An insurance producer may rely on insurer-  
14 provided product-specific training standards and materials to comply with the  
15 requirements of this Subsection.

16 B.(1)(a) An insurance producer who engages in the sale of annuity products  
17 shall complete a one-time four-credit training course approved by the Department  
18 of Insurance and provided by an educator who has been approved by the Department  
19 of Insurance.

20 (b) Insurance producers who hold a life insurance line of authority on August  
21 15, 2012, and who desire to sell annuities shall complete the requirement of this  
22 Subsection no later than January 1, 2013. An individual who holds a life insurance  
23 line of authority and has satisfied the training requirements in another state with  
24 substantially similar requirements prior to January 1, 2013, shall be deemed to have

1 satisfied the training requirements of this state. Individuals who obtain a life  
2 insurance line of authority on or after August 15, 2012, may not engage in the sale  
3 of annuities until the annuity training course required pursuant to this Subsection has  
4 been completed.

5 (2) The minimum length of the training required pursuant to this Subsection  
6 shall be sufficient to qualify for at least four continuing education credits, but may  
7 be longer.

8 (3) The training required pursuant to this Subsection shall include  
9 information on the following topics:

10 (a) The types of annuities and various classifications of annuities.

11 (b) Identification of the parties to an annuity.

12 (c) A description of how fixed, variable, and indexed annuity contract  
13 provisions affect consumers.

14 (d) The application of income taxation of qualified and nonqualified  
15 annuities.

16 (e) The primary use of annuities.

17 (f) Appropriate sales practices, replacement, and disclosure requirements.

18 (4) Providers of courses intended to comply with this Subsection shall cover  
19 all topics listed in Paragraph (3) of this Subsection and shall not present any  
20 marketing information or provide training on sales techniques or specific information  
21 about a particular insurer's products. Additional topics may be offered in addition  
22 to the topics required by this Subsection.

23 (5) A provider of an annuity training course intended to comply with this  
24 Subsection shall register as a continuing education provider in this state and shall  
25 comply with the rules and guidelines applicable to insurance producer continuing  
26 education courses pursuant to LAC 37:XI.701 et seq.

27 (6) Annuity training courses may be conducted and completed by classroom  
28 or by verifiable self-study methods pursuant to LAC 37:XI.701 et seq.

1           (7) Providers of annuity training shall comply with the reporting  
2           requirements and shall issue certificates of completion pursuant to LAC 37:XI.701  
3           et seq.

4           (8) The satisfaction of the training requirements of another state which has  
5           standards which are substantially similar to the provisions of this Subsection shall  
6           be deemed to satisfy the training requirements of this Subsection in this state.

7           (9) An insurer shall verify that an insurance producer has completed the  
8           annuity training course required by this Subsection before allowing the insurance  
9           producer to sell an annuity product for that insurer. An insurer may satisfy its  
10          responsibility under this Paragraph by obtaining certificates of completion of the  
11          training course by the insurance producer or by obtaining reports provided by  
12          commissioner database systems.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE

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GOVERNOR OF THE STATE OF LOUISIANA

APPROVED: \_\_\_\_\_