# 2021 Regular Session

# HOUSE CONCURRENT RESOLUTION NO. 111

# BY REPRESENTATIVE HOLLIS

# INSURANCE: Creates a task force to study the feasibility of exempting producers of sureties from certain requirements of R.S. 22:855

1	A CONCURRENT RESOLUTION
2	To create a task force to study and make recommendations concerning whether certain
3	reimbursement and disclosure provisions of R.S. 22:855 should apply to both
4	producers of traditional insurance policies and producers of surety bonds.
5	WHEREAS, R.S. 22:855 provides that an insurance producer may receive
6	reimbursement from the insured for expenses incurred by the producer directly related to the
7	insurance coverage for the insured; and
8	WHEREAS, R.S. 22:855 provides that a producer may charge a reasonable agency
9	fee related to the services provided by the producer; and
10	WHEREAS, R.S. 22:855 provides that any reimbursement or agency fee shall be
11	itemized separately on an invoice statement; and
12	WHEREAS, R.S. 22:855 provides that each such charge must be prominently
13	disclosed and itemized separately on the invoice; and
14	WHEREAS, provisions of R.S. 22:855 may be interpreted by the Department of
15	Insurance to require producers of surety bonds to separately disclose and itemize all fees
16	charged by a producer of surety bonds; and
17	WHEREAS, concerns have been expressed regarding the clarity of R.S. 22:855 as
18	it applies to the practice of separately disclosing and itemizing all fees charged by a producer
19	of surety bonds; and

# HLS 21RS-1048

1	WHEREAS, concerns have been expressed that not all producers of surety bonds
2	have been separately disclosing and itemizing all fees charged by a producer of surety bonds
3	on a consistent basis; and
4	WHEREAS, concerns have been expressed regarding whether applying all provisions
5	of R.S. 22:855 to both producers of traditional insurance policies and producers of surety
6	bonds best serves consumers; and
7	WHEREAS, distinctions exist between the market for traditional insurance policies
8	and the market for producers of surety bonds; and
9	WHEREAS, concerns have been expressed regarding the fairness and consistency
10	of requiring all producers of surety bonds to separately disclose and itemize all fees charged
11	but not requiring producers of surety bonds to separately disclose and itemize all
12	contingency commissions that will be received; and
13	WHEREAS, additional study of the issues raised by requiring producers of surety
14	bonds to separately disclose and itemize all fees charged by a producer of surety bonds could
15	be beneficial to the health of the insurance and surety bond markets.
16	THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby
17	establish the Surety Producer Disclosure Task Force to study and make recommendations
18	regarding the clarity of R.S. 22:855 and whether all provisions of R.S. 22:855 should apply
19	to producers of surety bonds.
20	BE IT FURTHER RESOLVED that the membership of the task force shall be as
21	follows:
22	(1) The speaker of the House of Representatives or his designee.
23	(2) The president of the Senate or his designee.
24	(3) The commissioner of the Department of Insurance or his designee.
25	(4) One representative from the Independent Insurance Agents and Brokers of
26	America.
27	(5) One representative from the Professional Insurance Agents of Louisiana.
28	BE IT FURTHER RESOLVED that the task force shall convene its first meeting by
29	September 1, 2021, and shall report its findings and recommendations to the Louisiana
30	Legislature no later than February 1, 2022.

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- 1 BE IT FURTHER RESOLVED that the task force shall study and make
- 2 recommendations on matters that include but are not limited to the following:
  - (1) New language that could clarify the legislative intent of R.S. 22:855.
- 4 (2) The impact of exempting producers of sureties from certain provisions of
  5 R.S. 22:855.
- 6 BE IT FURTHER RESOLVED that this Resolution be transmitted to the

7 commissioner of the Department of Insurance, the chief executive officer of the Independent

- 8 Insurance Agents and Brokers of America, and the executive vice president of the
- 9 Professional Insurance Agents of Louisiana.

# DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

# HCR 111 Original

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Creates a task force to study and make recommendations concerning the feasibility of exempting producers of sureties from certain requirements of R.S. 22:855 by Feb. 1, 2022.