



LOUISIANA DEPARTMENT OF INSURANCE  
JAMES J. DONELON  
COMMISSIONER

**DIRECTIVE 202**

**TO: ALL LIFE INSURERS AND LIFE INSURANCE PRODUCERS**  
**FROM: JAMES J. DONELON, COMMISSIONER OF INSURANCE**  
**RE: TEMPORARY LIFE INSURANCE LICENSE PROGRAM**  
**DATE: JUNE 5, 2009**

**Temporary Life Insurance License Program**

**For Life-Only License**

**Section 1. Purpose**

- A. This temporary licensing program is specifically intended to serve the public interest by facilitating an on the job training approach to the business of life insurance. This program will allow those individuals who have met the underlying requirements for a life-only license an opportunity to gain practical experience prior to sitting for and actually taking the life insurance producer licensing examination.
- B. The purpose of Directive 202 is to set out the requirements and procedures for the issuance of a temporary license applicable to life-only licensees.

**Section 2. Authority**

- A. This program is being implemented pursuant to the authority granted the Commissioner of Insurance under L.S.A.-R.S. 22:1553. A.(4).

**Section 3. Exceptions**

- A. Directive 202 does not apply to temporary licenses issued for reasons outlined in L.S.A.-R.S. 22:1553(A) (1-3).

#### **Section 4. Definitions**

- A. For the purposes of Directive 202 the following definitions shall apply:

*Department* - the Louisiana Department of Insurance.

*Temporary Life-Only Licensee* - a resident applicant for a life-only license who is issued a temporary license to act as an insurance producer until the temporary license expires.

*Sponsoring Producer* - a Louisiana licensed producer who is responsible for the supervision and insurance activities of the temporary life-only licensee.

*Insurer* - any admitted life insurer.

#### **Section 5. Sponsoring Producer**

- A. A temporary life-only licensee may act only under the direct supervision of a sponsoring producer.
1. A sponsoring producer must hold a current license in Louisiana for life insurance and must have a minimum of three (3) years relevant experience in the arena of life insurance.
  2. A sponsoring producer shall be responsible for all insurance producer activities of the temporary life-only licensee.
  3. A failure to properly supervise the temporary life-only licensee that results in the revocation of the temporary life-only license may result in the suspension or revocation of the sponsoring producer's license.
  4. A sponsoring producer may have no more than ten (10) temporary life-only licensees under his / her supervision at any one time.
  5. All life insurance policies sold by a temporary life-only licensee must be countersigned by the sponsoring producer.
  6. The temporary life-only licensee and the sponsoring producer must be appointed by the same insurer.

#### **Section 6. Insurer Requirements**

- A. All applications for a temporary life-only licensee must be accompanied by a notice of appointment from an admitted life insurer.

1. The term of the appointment for a temporary life-only licensee shall not exceed 90 days and cannot be renewed.
  2. A temporary life-only licensee shall only represent one insurer for the duration of the temporary license.
- B. By appointing a temporary life-only licensee, the insurer attests that the appointee is competent and trustworthy to conduct the business of insurance and is not disqualified from holding a license for any reason outlined in LSA-R.S. 22:1554.
- C. A minimum of fifty percent (50%) of an insurer's sponsored applicants must take the life insurance producer licensing examination within the 90 day temporary license timeframe. Twenty five percent (25%) of those applicants taking the life insurance producer licensing examination must pass the examination.
- D. The Department may disallow sponsorship of temporary life-only licensees by a sponsoring producer or an insurer if the Department determines that the sponsoring producer or insurer has abused the temporary appointment powers. In determining whether abuse has occurred, the Department may consider the percentage of temporary life-only licensees who pass the examination while sponsored by a particular insurer or sponsoring producer and the number of temporary life-only licenses issued.

#### **Section 7. Application Requirements**

- A. In order to apply for a temporary life-only license, an applicant shall file an application for a temporary life-only license with the Department accompanied by a seventy-five (\$75.00) dollar temporary life-only license fee.
1. An applicant for a temporary life-only license must have completed a Louisiana approved pre-license education course.
  2. A copy of the course certificate of completion must accompany the temporary life-only license application.
  3. Before applying for a temporary life-only producer license an applicant shall file with the Department an application for a permanent life insurance license and register for the life insurance license examination through the Department's testing vendor.

**Section 8. Term of License**

- A. A temporary life-only license is effective on the date issued by the Department.
- B. A temporary life-only license shall not be renewed and shall not be extended beyond 90 days of the date first issued.
- C. In order to continue as a life insurance producer following the expiration of the 90 day period, a temporary life-only licensee must pass the life insurance producer license examination and be issued a permanent life insurance producer license by the Department.
- D. A temporary life-only license shall expire on the date the temporary life-only licensee is issued a permanent license or at the end of 90 days, whichever occurs first.
- E. An individual may hold only one temporary life-only license in his / her lifetime.

**Section 9. Regulation 70 Requirements**

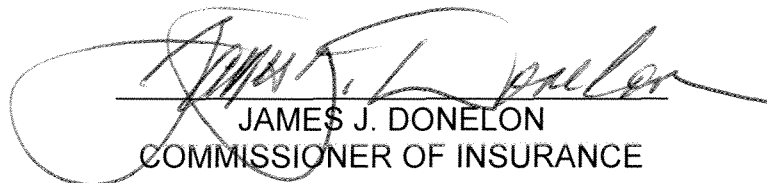
- A. In order to facilitate the efforts of Department auditors every insurer appointing a temporary life-only licensee shall maintain a separate database to segregate the forms, records and documents required by Regulation 70 regarding the Replacement of Life Insurance and Annuities submitted by or on behalf of any temporary life-only licensee.

**Section 10. Effective Date**

- A. This Program will take effect beginning July 1, 2009 and will expire on June 30, 2010.
- B. Notwithstanding the foregoing dates, the Commissioner of Insurance shall, at all times, have complete authority to modify or cancel this discretionary program if he should determine that it no longer serves the public interest.

Please be governed accordingly.

Baton Rouge, Louisiana this 5th day of June 2009.

  
JAMES J. DONELON  
COMMISSIONER OF INSURANCE