

2015 Regular Session

HOUSE CONCURRENT RESOLUTION NO. 143

BY REPRESENTATIVE HARRISON

A CONCURRENT RESOLUTION

To urge and request that all financial institutions conducting business in the state of Louisiana strictly comply with Subpart D of Chapter 5 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S. 22:1591 through 1605, and known as the Financial Institution Insurance Sales Law, requiring financial institutions to adhere to the provisions of the Financial Institution Insurance Sales Law, to give due consideration to the public interest in the regulation of state banking and insurance industries, and to clarify the intent of the legislature.

WHEREAS, it has long been recognized that the regulation of our banking and insurance industries is of utmost importance to the public interest of our nation and the state of Louisiana; and

WHEREAS, the public interest in the regulation of those industries has been lawfully recognized pursuant to the provisions of Chapter 22 of Title 12 of the United States Code and pursuant to the provisions of Subpart D of Chapter 5 of Title 22 of the Louisiana Revised Statutes of 1950, comprised of R.S. 22:1591 through 1605, and known as the Financial Institution Insurance Sales Law; and

WHEREAS, R.S. 22:1596 states, "Any solicitation for the purchase or sale of any insurance product by any person, including a financial institution, its employees or agents, shall be conducted only by persons who have complied with all applicable state insurance licensing and appointment laws and regulations."; and

WHEREAS, R.S. 22:1597 states in pertinent part, "The solicitation of a customer of a financial institution for the purchase or sale of insurance shall not be conducted by any natural person directly responsible for making a specific loan or extension of credit to that customer before such time as the final decision regarding the acceptance or denial of that specific loan or extension of credit is made and communicated in writing to the customer."; and

WHEREAS, R.S. 22:1599(A) states in pertinent part, "A financial institution shall not in any manner extend credit, lease, or sell property of any kind, or furnish any service, or fix or vary the consideration for any of the foregoing, on the condition or requirement that the customer shall obtain insurance from the financial institution. In accordance with the provisions of this Subpart, the financial institution shall not represent that the purchase of an insurance product from a financial institution by a customer or prospective customer of the institution is required as a condition of, or is any way related to, the lending of money or extension of credit, the establishment or maintenance of a trust account, the establishment or maintenance of a checking, savings, or deposit account, or the provision of services related to any such activities." Additionally, R.S. 22:1599(B) states, "No financial institution shall offer an insurance product in combination with banking products unless the insurance products and banking products are available separately from the institution."; and

WHEREAS, R.S. 22:1600 requires, in pertinent part, financial institutions to obtain a separate written statement, signed by the customer, acknowledging that the customer has received and understands certain disclosures, including a disclosure that the customer is not required to purchase insurance through the financial institution and that the choice of another insurance provider by the customer will not affect the credit decision to be made by the financial institution or credit terms in any way; and

WHEREAS, the legislature urges that financial institutions also adhere to any state and federal laws imposing restrictions on any purchase or sale of securities and investments.

THEREFORE, BE IT RESOLVED that the Legislature of Louisiana does hereby request that financial institutions strictly adhere to the provisions of the Financial Institution Insurance Sales Law in order to protect the lawfully recognized interests of the state of Louisiana, to protect those persons competing in the industries of banking and insurance, to protect the customers of those industries, and to protect the citizens of Louisiana.

BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the commissioner of insurance, the Louisiana Bankers' Association, and the commissioner of the office of financial institutions, who is hereby requested to distribute copies of this Resolution to the financial institutions conducting business in this state.

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SPEAKER OF THE HOUSE OF REPRESENTATIVES

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PRESIDENT OF THE SENATE