



Description



LOUISIANA INSURANCE PREMIUM FINANCE LICENSE

Who is required to have this license?

The Non-depository Division of the Office of Financial Institutions (“OFI”) regulates the licensing of insurance premium finance companies located throughout the United States engaging in insurance premium financing to Louisiana borrowers. Financing commercial policies is excluded. OFI also regulates license lenders (finance companies) and deferred presentment and small loan lenders (payday lenders) operating within the state of Louisiana. Persons who wish to engage in the business of making insurance premium finance loans must hold an insurance premium finance company license approved by this Office before they can begin to make loans. The company may also engage in other types of consumer lending with this license type. Consumer lender is defined as any person engaging in the loan of money or its equivalent made by a supervised financial organization, a licensed lender, or lender in which the debtor is a consumer, and the loan is entered into primarily for personal, family, or household purposes and includes debts created by the use of a lender credit card, revolving loan account, or similar arrangement, as well as insurance premium financing.

IMPORTANT NOTE: When submitting a company application through the NMLS, it is very important that companies first choose the correct license type. The three license types are defined as follows:

- **Insurance Premium Finance Company:** Companies who wish to engage in the business of financing insurance premiums to consumers (personal lines) must submit a company application through the NMLS. There is no license required to finance commercial insurance premiums. No person, unless otherwise exempt from the licensing requirement, shall engage in the business of financing insurance premiums in this state or outside of this state for Louisiana consumers, enter into premium finance agreements, or otherwise acquire premium finance agreements subject to the Louisiana Consumer Credit Law, without first having obtained a license as an insurance premium finance company from the Commissioner of Financial Institutions. With this license type the company may engage in other types of consumer lending.
- **In-state Main Office With Lending Activity:** Companies whose main office is located in Louisiana and that conduct consumer lending activities only from that location are not required to submit an additional branch application for that main office location. This license type may not engage in insurance premium financing.
- **Main Office With No Lending Activity:** Companies whose main office will NOT be engaging in Louisiana consumer lending or insurance premium finance activities – whether in-state or out-of-state – must file a company application through the NMLS. The company **must** submit a branch application through the NMLS for each location in Louisiana where consumer loan activities will be conducted.

What are the pre-requisites for license application?

- Be over 18 years of age and of good character and reputation.
- Not have been convicted of a felony under the laws of the United States, the State of Louisiana, or any other state or country within the last seven years.

- Provide a letter from your company's bank stating that the company has unencumbered cash or an unfunded line of credit in the amount of \$25,000.
- Each executive officer, control person, managing member, general partner and 10% or greater direct owners must submit information on the NMLS and be disclosed on the company's application under *Direct Owners and Officers*. Each individual who has a 25% or greater interest in an indirect owner must submit an individual application on the NMLS and be disclosed on the company application under *Indirect Owners*. Background requests should be submitted directly to the Office of Financial Institutions and include 2 fingerprint cards, a completed Louisiana State Police form, and \$42.50 fee made payable to the Office of Financial Institutions.

WHO TO CONTACT – For jurisdiction specific questions concerning licensure, contact Louisiana Office of Financial Institutions, Non-depository Division licensing staff by phone at 225-925-4660 or send questions via email to ofilicensing@ofi.la.gov.

YOU ARE NOT AUTHORIZED TO ENGAGE IN CONSUMER LENDING ACTIVITY IN THE STATE OF LOUISIANA UNTIL YOU HAVE RECEIVED APPROVAL FROM THE LOUISIANA OFFICE OF FINANCIAL INSTITUTIONS.