

1 SB206
2 188858-1
3 By Senator Blackwell
4 RFD: Banking and Insurance
5 First Read: 23-JAN-18

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8 SYNOPSIS: Under existing law, the Department of
9 Insurance licenses insurance producers and service
10 representatives who are required to complete 24
11 hours of continuing education in connection with
12 the biennial renewal of license, but are permitted
13 to request an extension and renew when complying
14 with the continuing education requirements.
15 Existing law also authorizes a waiver of penalties
16 for failure to renew.

17 Also under existing law, the only punishment
18 authorized to be imposed by the Insurance
19 Commissioner against an insurance producer or
20 service representative failing to complete the
21 continuing education requirements is the suspension
22 of a license.

23 This bill would specify that insurance
24 producers and service representatives would be
25 required to complete any continuing education
26 requirement in order to renew an insurance producer
27 or service representative license and would delete

1 the provisions for extensions to complete
2 continuing education requirements as provided in
3 this part of the licensure law.

4 This bill would also authorize the Insurance
5 Commissioner to assess a fine in lieu of suspension
6 of license for violating the continuing education
7 requirements by an insurance producer or service
8 representative.

9
10 A BILL
11 TO BE ENTITLED
12 AN ACT

13
14 Relating to insurance; to amend Sections 27-8A-1 and
15 27-8A-2 of the Code of Alabama 1975, relating to the licensing
16 of insurance producers and service representatives by the
17 Department of Insurance; to specify that insurance producers
18 and service representatives are required to complete any
19 continuing education requirements prior to renewing a license;
20 to delete the provisions for extensions; and to authorize the
21 Insurance Commissioner to assess a fine in lieu of suspension
22 of a license for violation of the continuing education
23 requirements.

24 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

25 Section 1. Sections 27-8A-1 and 27-8A-2, Code of
26 Alabama 1975, are amended to read as follows:

27 "§27-8A-1.

1 "(a) Any individual licensed in this state as an
2 insurance producer or service representative for the lines of
3 insurance listed in subsection (b), and not exempt under
4 subsection (c), shall satisfactorily complete a minimum of 24
5 classroom hours ~~biennially~~ of courses, programs of
6 instruction, or seminars as may be approved by the
7 commissioner pursuant to this chapter, three hours of which
8 shall be on the topic of insurance producer ethics, reported
9 to the commissioner on a biennial basis in conjunction with
10 the license renewal cycle. No person ~~holding licenses~~ licensed
11 for more than one line ~~or type~~ of ~~insurance~~ authority shall be
12 required to complete a greater number of classroom hours than
13 is required of a person holding a license for a single line ~~or~~
14 ~~type~~ of ~~insurance~~ authority.

15 "(b) This chapter shall apply to all individuals
16 licensed in this state as insurance producers and service
17 representatives for the following kinds of insurance:

18 "(1) The life lines of authority.

19 "(2) The property lines of authority.

20 "(3) All other lines of insurance for which an
21 examination is required for licensing.

22 "(4) Any combination thereof.

23 "(c) The continuing education requirements of this
24 chapter shall not apply to:

25 "(1) Any person exempt from licensing pursuant to
26 subsection (b) of Section 27-3-27.

1 "(2) Any person licensed only for any kind or kinds
2 of insurance for which an examination is not required by law
3 of this state.

4 "(3) Any person licensed only for limited lines
5 insurance.

6 "(4) Newly licensed producers and service
7 representatives for 12 months following the effective date of
8 their license.

9 "(d) In lieu of the 24 hours required in subsection
10 (a), any producer or service representative employed by
11 another producer or by an insurer to work only in the office
12 of the employer and who is not licensed as a nonresident in
13 any other state shall satisfactorily complete a minimum of 12
14 classroom hours biennially, two hours of which shall be on the
15 topic of insurance producer ethics.

16 "(e) Any individual exempt from the requirements of
17 this section immediately prior to January 1, 2013, shall
18 continue to be exempt from the requirements of this section
19 after ~~the effective date of this amendatory act, for so~~
20 January 1, 2013, as long as the individual remains exempt as
21 set forth in this section as it existed immediately prior to
22 January 1, 2013, unless the license is permitted to expire or
23 is otherwise terminated and remains out of effect for a period
24 of 12 consecutive months, in which case the exemption shall no
25 longer be applicable.

26 "§27-8A-2.

1 "~~(a)~~ Any person failing to meet the requirements
2 imposed by this chapter, ~~and who has not been granted an~~
3 ~~extension of time pursuant to this chapter,~~ or who has
4 submitted to the commissioner a false or fraudulent
5 certificate of compliance ~~shall,~~ after a hearing thereon which
6 hearing may be waived by the person, may be subjected subject
7 to the suspension of all licenses issued for any kind or kinds
8 of insurance or to a civil fine as further provided in this
9 section, and no further license shall be issued to the person
10 for any kind or kinds of insurance until the person ~~shall have~~
11 has demonstrated to the satisfaction of the commissioner that
12 he or she has complied with all of the requirements of the
13 chapter and all other laws applicable thereto. In lieu of
14 suspension of a license and in the sole discretion of the
15 commissioner, a licensee may be subject to a civil fine in an
16 amount not to exceed ten thousand dollars (\$10,000) after a
17 hearing, which may be waived by the licensee.

18 "~~(b)~~ The commissioner may grant a three-month
19 ~~extension for complying with the continuing education~~
20 ~~requirement under this chapter. To receive an extension under~~
21 ~~this subsection, a licensee shall file a request with the~~
22 ~~commissioner on a form provided by the commissioner. After a~~
23 ~~licensee files a request for an extension, the license of the~~
24 ~~licensee remains in effect until the commissioner makes a~~
25 ~~decision on the request. If the commissioner denies a~~
26 ~~licensee's request for an extension, the licensee shall~~
27 ~~complete continuing education requirements under this chapter~~

1 ~~within thirty days after the commissioner notifies the~~
2 ~~licensee of the denial.~~

3 ~~"(c) The commissioner may grant an extension for~~
4 ~~more than three months upon a showing that the licensee is~~
5 ~~unable to perform the normal duties of an insurance producer~~
6 ~~or upon other similar special circumstances as may be approved~~
7 ~~by the commissioner."~~

8 Section 2. This act shall become effective January
9 1, 2019, upon its passage and approval by the Governor or its
10 otherwise becoming law.