

HOUSE BILL No. 2067

By Committee on Insurance

1-17

1 AN ACT concerning the uniform insurance agents licensing act; relating to
2 fingerprinting of applicants for licensure; amending K.S.A. 2016 Supp.
3 40-4905 and repealing the existing section.
4

5 *Be it enacted by the Legislature of the State of Kansas:*

6 Section 1. K.S.A. 2016 Supp. 40-4905 is hereby amended to read as
7 follows: 40-4905. (a) Subject to the provisions of K.S.A. 2016 Supp. 40-
8 4904, and amendments thereto, it shall be unlawful for any person to sell,
9 solicit or negotiate any insurance within this state unless such person has
10 been issued a license as an insurance agent in accordance with this act.

11 (b) Any person applying for a resident insurance agent license shall
12 make application on a form prescribed by the commissioner. The applicant
13 shall declare under penalty of perjury that the statements made in the
14 application are true, correct and complete to the best of the applicant's
15 knowledge and belief. Before approving the application, the commissioner
16 shall determine that the applicant:

- 17 (1) Is at least 18 years of age;
18 (2) has not committed any act that is grounds for denial pursuant to
19 this section or suspension or revocation pursuant to K.S.A. 2016 Supp. 40-
20 4909, and amendments thereto;
21 (3) has paid a nonrefundable fee in the amount of \$30; and
22 (4) has successfully passed the examination for each line of authority
23 for which the applicant has applied.

24 (c) If the applicant is a business entity, then the commissioner shall
25 make the following additional determinations in addition to those required
26 by subsection (a):

- 27 (1) The name and address of a licensed agent who shall be
28 responsible for the business entity's compliance with the insurance laws of
29 this state and the rules and regulations promulgated thereunder;
30 (2) that each officer, director, partner and employee of the business
31 entity who acts as an insurance agent is licensed as an insurance agent;
32 (3) that the business entity has disclosed to the department all of its
33 officers, directors and partners whether or not such officers, directors,
34 partners and employees are licensed as insurance agents; and

1 (4) that the business entity has disclosed to the department each
2 officer, director, partner and employee who is licensed as an insurance
3 agent.

4 (d) Any business entity which acts as an insurance agent and holds a
5 direct agency appointment from an insurance company shall be required to
6 obtain an insurance agent license.

7 (e) The commissioner may require the applicant to furnish any
8 document or other material reasonably necessary to verify the information
9 contained in an application.

10 (f) Each insurer that sells, solicits or negotiates any form of limited
11 line credit insurance shall provide a program of instruction that may be
12 approved by the commissioner to each individual employed by or acting
13 on behalf of such insurer to sell, solicit or negotiate limited line credit
14 insurance.

15 (g) (1) Each licensed insurance agent shall notify the commissioner of
16 any officer, director, partner or employee of such insurance agent who:

17 (A) Is licensed as an individual insurance agent; and

18 (B) was not disclosed in such insurance agent's application for a
19 license or any renewal thereof.

20 (2) Each licensed insurance agent shall notify the commissioner of
21 any of its officers, directors, partners or employees who:

22 (A) Have terminated such relationship as an officer, director, partner
23 or employee of such insurance agent; and

24 (B) has been previously disclosed in such insurance agent's
25 application for a license or any renewal thereof.

26 (3) Each licensed insurance agent shall notify the commissioner
27 within 30 working days of occurrence of any event required to be reported
28 under paragraphs (1) or (2) of this subsection. Failure to provide the
29 commissioner with the information required by this subsection shall
30 subject the licensee to a monetary penalty of \$10 per day for each working
31 day the required information is late subject to a maximum of \$50 per
32 person per licensing year.

33 (h) Any applicant whose application for a license; is denied shall be
34 given an opportunity for a hearing in accordance with the provisions of the
35 Kansas administrative procedure act.

36 (i) (1) *The commissioner may require a person applying for a*
37 *resident insurance agent license to be fingerprinted and submit to a state*
38 **and** *national criminal history record check. The fingerprints shall be used*
39 *to identify the applicant and to determine whether the applicant has a*
40 *record of criminal arrests and convictions in this state or other*
41 *jurisdictions. The commissioner is authorized to submit the fingerprints to*
42 *the Kansas bureau of investigation and the federal bureau of investigation*
43 *for a state and national criminal history record check. Local and state law*

1 *enforcement officers and agencies shall assist the commissioner in the*
2 *taking and processing of fingerprints of applicants and shall release all*
3 *records of an applicant's arrests and convictions to the commissioner.*

4 **(2) The commissioner may conduct, or have a third party**
5 **conduct, a background check on a person applying for a resident**
6 **insurance agent license.**

7 **(3) Whenever the commissioner requires fingerprinting, a**
8 **background check, or both, any associated costs shall be paid by the**
9 **applicant.**

10 **(4) The commissioner may use the information obtained from a**
11 **background check, fingerprinting and the applicant's criminal history**
12 **only for purposes of verifying the identification of any applicant and in the**
13 **official determination of the fitness of the applicant to be issued a license**
14 **as an insurance agent in accordance with this act.**

15 **(5) A person applying for a resident insurance agent license who**
16 **has been fingerprinted and has submitted to a state and national**
17 **criminal history record check within the past 12 months in connection**
18 **with the successful issuance or renewal of any other state-issued license**
19 **may submit proof of such good standing to the commissioner in lieu of**
20 **submitting to the fingerprinting and criminal history record checks**
21 **described in subsections (i)(1) and (i)(2).**

22 Sec. 2. K.S.A. 2016 Supp. 40-4905 is hereby repealed.

23 Sec. 3. This act shall take effect and be in force from and after its
24 publication in the statute book.