

**SENATE BILL No. 76**

By Committee on Financial Institutions and Insurance

1-20

1 AN ACT concerning insurance; relating to producer licensure  
2 requirements; providing for an exemption from continuing education  
3 requirements for certain individuals; amending K.S.A. 40-4903 and 40-  
4 5512 and repealing the existing sections.

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

7 Section 1. K.S.A. 40-4903 is hereby amended to read as follows: 40-  
8 4903. (a) Unless denied licensure pursuant to K.S.A. 40-4909, and  
9 amendments thereto, any person who meets the requirements of K.S.A.  
10 40-4905, and amendments thereto, shall be issued an insurance agent  
11 license. An insurance agent may receive qualifications for a license in one  
12 or more of the following lines of authority:

13 (1) Life: Insurance coverage on human lives including benefits of  
14 endowment and annuities, and may include benefits in the event of death  
15 or dismemberment by accident and benefits for disability income.

16 (2) Accident and health or sickness: Insurance coverage for sickness,  
17 bodily injury or accidental death and may include benefits for disability  
18 income.

19 (3) Property: Insurance coverage for the direct or consequential loss  
20 or damage to property of every kind.

21 (4) Casualty: Insurance coverage against legal liability, including that  
22 for death, injury or disability or damage to real or personal property.

23 (5) Variable life and variable annuity products: Insurance coverage  
24 provided under variable life insurance contracts, variable annuities or any  
25 other life insurance or annuity product that reflects the investment  
26 experience of a separate account.

27 (6) Personal lines: Property and casualty insurance coverage sold  
28 primarily to an individual or family for noncommercial purposes.

29 (7) Credit: Limited line credit insurance.

30 (8) Crop insurance: Limited line insurance for damage to crops from  
31 unfavorable weather conditions, fire, lightning, flood, hail, insect  
32 infestation, disease or other yield-reducing conditions or any other peril  
33 subsidized by the federal crop insurance corporation, including multi-peril  
34 crop insurance.

35 (9) Title insurance: Limited line insurance that insures titles to  
36 property against loss by reason of defective titles or encumbrances.

1 (10) Travel insurance: Limited line insurance for personal risks  
2 incidental to planned travel, including, but not limited to:

3 (A) Interruption or cancellation of trip or event;

4 (B) loss of baggage or personal effects;

5 (C) damages to accommodations or rental vehicles; or

6 (D) sickness, accident, disability or death occurring during travel.

7 Travel insurance does not include major medical plans that provide  
8 comprehensive medical protection for travelers with trips lasting six  
9 months or longer, for example, persons working overseas including  
10 military personnel deployed overseas.

11 (11) Pre-need funeral insurance: Limited line insurance that allows  
12 for the purchase of a life insurance or annuity contract by or on behalf of  
13 the insured solely to fund a pre-need contract or arrangement with a  
14 funeral home for specific services.

15 (12) Bail bond insurance: Limited line insurance that provides surety  
16 for a monetary guarantee that an individual released from jail will be  
17 present in court at an appointed time.

18 (13) Self-service storage unit insurance: Limited line insurance  
19 relating to the rental of self-service storage units, including:

20 (A) Personal effects insurance that provides coverage to renters of  
21 storage units at the same facility for the loss of, or damage to, personal  
22 effects that occurs at the same facility during the rental period; and

23 (B) any other coverage that the commissioner may approve as  
24 meaningful and appropriate in connection with the rental of storage units.  
25 Such insurance may only be issued in accordance with K.S.A. 40-241, and  
26 amendments thereto.

27 (14) Any other line of insurance permitted under the provisions of  
28 chapter 40 of the Kansas Statutes Annotated, and amendments thereto, and  
29 any rules and regulations promulgated thereunder.

30 (b) Unless suspended, revoked or refused renewal pursuant to K.S.A.  
31 40-4909, and amendments thereto, an insurance agent license shall remain  
32 in effect as long as:

33 (1) Education requirements for resident individual agents are met by  
34 such insurance agent's biennial due date;

35 (2) such insurance agent submits an application for renewal on a form  
36 prescribed by the commissioner; and

37 (3) ~~on and after January 1, 2022,~~ such insurance agent pays a biennial  
38 renewal application fee of \$4.

39 ~~(c) (1)-(A) On and after July 1, 2001, through December 31, 2021,~~  
40 ~~each licensed insurance agent who is an individual and holds a property or~~  
41 ~~casualty qualification, or both, or a personal lines qualification shall~~  
42 ~~biennially obtain a minimum of 12 C.E.C.s in courses certified as property~~  
43 ~~and casualty that includes at least one hour of instruction in insurance-~~

1 ethics, and may include regulatory compliance.

2 (B) ~~On and after January 1, 2022,~~ Except as provided in paragraphs  
3 ~~(3) (2)~~ through ~~(6) (7)~~, each licensed insurance agent shall biennially  
4 obtain a minimum of 18 C.E.C.s that include at least three hours of  
5 instruction in insurance ethics that also may include regulatory  
6 compliance.

7 ~~(2) On and after July 1, 2001, through December 31, 2021,~~ each  
8 licensed insurance agent who is an individual and holds a life, accident and  
9 health, or variable contracts qualification, or any combination thereof,  
10 shall biennially obtain a minimum of 12 C.E.C.s in courses certified as  
11 life, accident and health, or variable contracts that include at least one hour  
12 of instruction in insurance ethics and may include regulatory compliance.

13 (3) Each licensed insurance agent who is an individual and holds only  
14 a crop qualification shall biennially obtain a minimum of two C.E.C.s in  
15 courses certified as crop C.E.C.s under the property and casualty category.

16 ~~(4)~~(3) Each licensed insurance agent who is an individual and is  
17 licensed only for title insurance shall biennially obtain a minimum of four  
18 C.E.C.s in courses certified by the board of abstract examiners as title  
19 C.E.C.s under the property and casualty category.

20 ~~(5)~~(4) Each licensed insurance agent who is an individual and holds a  
21 life insurance license solely for the purpose of selling pre-need funeral  
22 insurance or annuity products shall file a report on or before such agent's  
23 biennial due date affirming that such agent transacted no other insurance  
24 business during the period covered by the report and shall provide  
25 certification from an officer of each insurance company that has appointed  
26 such agent that the agent transacted no other insurance business during the  
27 period covered by the report. Agents who have offered to sell or sold only  
28 pre-need funeral insurance are exempt from the requirement to obtain  
29 C.E.C.s.

30 ~~(6)~~(5) Each licensed insurance agent who is an individual and holds  
31 only a bail bond, self-service storage unit or travel insurance qualification  
32 is exempt from the requirement to obtain C.E.C.s.

33 ~~(7)~~(6) (A) A licensed insurance agent who is a member of the national  
34 guard or any reserve component of the armed services of the United States  
35 who serves on active duty for at least 90 consecutive days shall be exempt  
36 from the requirement to obtain C.E.C.s during the time that such insurance  
37 agent is on active duty.

38 (B) The commissioner shall grant an extension to any licensed  
39 insurance agent described in subparagraph (A) until the biennial due date  
40 that occurs in the year next succeeding the year in which such active duty  
41 ceases.

42 (7) (A) *A licensed insurance agent shall be exempt from the*  
43 *requirement to obtain C.E.C.s if:*

1       (i) *The licensed insurance agent has earned a minimum of 85 career*  
2 *points and has been continuously licensed in Kansas for at least the*  
3 *immediately preceding 15 years; or*

4       (ii) *the licensed insurance agent has not been continuously licensed*  
5 *in Kansas but would otherwise meet the requirements described in clause*  
6 *(i), then such insurance agent shall provide certification from the*  
7 *insurance department of each state in which a license was held during the*  
8 *immediately preceding 15 years. Such certification shall list the periods*  
9 *during which the insurance agent was licensed and any periods during*  
10 *which the license was suspended, revoked, lapsed or otherwise*  
11 *disciplined. Periods during which the license was suspended, revoked,*  
12 *lapsed or otherwise disciplined shall not count as time during which the*  
13 *insurance agent was continuously licensed.*

14       (B) *As used in this paragraph:*

15       (i) *"Career points" means the age of the insurance agent in whole*  
16 *years added to the number of years that the insurance agent has been*  
17 *continuously licensed.*

18       (ii) *"Continuously licensed" means a period of time, in years, during*  
19 *which an insurance agent was licensed and such license was not subject to*  
20 *suspension, revocation, lapse or other such discipline by the Kansas*  
21 *insurance department or the insurance department of any other state.*

22       (d) An instructor of an approved subject shall be entitled to the same  
23 C.E.C. as a student completing the study.

24       (e) (1) An individual insurance agent who has been licensed for more  
25 than one year, on or before such insurance agent's biennial due date, shall  
26 file a report with the commissioner certifying that such insurance agent has  
27 met the continuing education requirements for the previous biennium  
28 ending on such insurance agent's biennial due date. Each individual  
29 insurance agent shall maintain a record of all courses attended together  
30 with a certificate of attendance for the remainder of the biennium in which  
31 the courses were attended and the entire next succeeding biennium.

32       (2) If the required report showing proof of continuing education  
33 completion is not received by the commissioner by the individual  
34 insurance agent's biennial due date, such individual insurance agent's  
35 qualification and each and every corresponding license shall be suspended  
36 automatically for a period of 90 calendar days or until such time as the  
37 producer satisfactorily demonstrates completion of the continuing  
38 education requirement whichever is sooner. In addition, the commissioner  
39 shall assess a penalty of \$100 for each license suspended. If such insurance  
40 agent fails to furnish to the commissioner the required proof of continuing  
41 education completion and the monetary penalty within 90 calendar days of  
42 such insurance agent's biennial due date, such individual insurance agent's  
43 qualification and each and every corresponding license shall expire on

1 such insurance agent's biennial due date. If after more than three but less  
2 than 12 months from the date the license expired, the insurance agent  
3 wants to reinstate such insurance agent's license, such individual shall  
4 provide the required proof of continuing education completion and pay a  
5 reinstatement fee in the amount of \$100 for each license suspended. If  
6 after more than 12 months from the date an insurance agent's license has  
7 expired, such insurance agent wants to reinstate such insurance agent's  
8 license, such individual shall apply for an insurance agent's license,  
9 provide the required proof of continuing education completion and pay a  
10 reinstatement fee in the amount of \$100 for each license suspended. Upon  
11 receipt of a written application from such insurance agent claiming  
12 extreme hardship, the commissioner may waive any penalty imposed  
13 under this subsection.

14 (3) On and after ~~the effective date of this act~~ *July 1, 2001*, any  
15 applicant for an individual insurance agent's license who previously held a  
16 license that expires on or after June 30, 2001, because of failure to meet  
17 continuing education requirements and who seeks to be relicensed shall  
18 provide evidence that appropriate C.E.C.s have been completed for the  
19 prior biennium.

20 (4) Upon receipt of a written application from an individual insurance  
21 agent, the commissioner, in cases involving medical hardship or military  
22 service, may extend the time within which to fulfill the minimum  
23 continuing educational requirements for a period of not to exceed 180  
24 days.

25 (5) This section shall not apply to any inactive insurance agent during  
26 the period of such inactivity. For the purposes of this paragraph, "inactive  
27 period" or "period of inactivity" means a continuous period of time of not  
28 more than four years starting from the date inactive status is granted by the  
29 commissioner. Before returning to active status, such inactive insurance  
30 agent shall:

31 (A) File a report with the commissioner certifying that such agent has  
32 met the continuing education requirement; and

33 (B) pay the renewal fee. If the required proof of continuing education  
34 completion and the renewal fee is not furnished at the end of the inactive  
35 period, such individual insurance agent's qualification and each and every  
36 corresponding license shall expire at the end of the period of inactivity. For  
37 issuance of a new license, the individual shall apply for a license and pass  
38 the required examination.

39 (6) Any individual who allows such individual's insurance agent  
40 license in this state and all other states in which such individual is licensed  
41 as an insurance agent to expire for a period of four or more consecutive  
42 years, shall apply for a new insurance agent license and pass the required  
43 examination.

1 (f) (1) Each course, program of study, or subject shall be submitted to  
2 and certified by the commissioner in order to qualify for purposes of  
3 continuing education.

4 (2) Each request for certification of any course, program of study or  
5 subject shall contain the following information:

6 (A) The name of the provider or provider organization;

7 (B) the title of such course, program of study or subject;

8 (C) the date the course, program of study or subject will be offered;

9 (D) the location where the course, program of study or subject will be  
10 offered;

11 (E) an outline of each course, program of study or subject including a  
12 schedule of times when such material will be presented;

13 (F) the names and qualifications of instructors;

14 (G) the number of C.E.C.s requested;

15 (H) a nonrefundable C.E.C. qualification fee in the amount of \$50 per  
16 course, program of study or subject or \$250 per year for all courses,  
17 programs of study or subjects submitted by a specific provider or provider  
18 organization; and

19 (I) a nonrefundable annual provider fee of \$100.

20 (3) Upon receipt of such information, the commissioner shall grant or  
21 deny certification of any submitted course, program of study or subject as  
22 an approved subject, program of study or course and indicate the number  
23 of C.E.C.s that will be recognized for each approved course, program of  
24 study or subject. Each approved course, program of study or subject shall  
25 be assigned by the commissioner to one or both of the following classes:

26 (A) Property and casualty; or

27 (B) life insurance, including annuity and variable contracts, and  
28 accident and health insurance.

29 (4) Each course, program of study or subject shall have a value of at  
30 least one C.E.C.

31 (5) (A) Each provider seeking approval of a course, program of study  
32 or subject for continuing education credit shall issue or cause to be issued  
33 to each person who attends a course, program of study or subject offered  
34 by such provider a certificate of attendance. The certificate shall be signed  
35 by either the instructor who presents the course, program of study or  
36 course or such provider's authorized representative. Each provider shall  
37 maintain a list of all individuals who attend courses offered by such  
38 provider for continuing education credit for the remainder of the biennium  
39 in which the courses are offered and the entire next succeeding biennium.

40 (B) The commissioner shall accept, without substantive review, any  
41 course, program of study or subject submitted by a provider that has been  
42 approved by the insurance supervisory authority of any other state or  
43 territory accredited by the NAIC. The commissioner may disapprove any

1 individual instructor or provider who has been the subject of disciplinary  
2 proceedings or who has otherwise failed to comply with any other state's  
3 or territory's laws or regulations.

4 (6) The commissioner may grant or approve any specific course,  
5 program of study or course that has appropriate merit, such as any course,  
6 programs of study or course with broad national or regional recognition,  
7 without receiving any request for certification. The fee prescribed by  
8 subsection (f)(2) shall not apply to any approval granted pursuant to this  
9 provision.

10 (7) The C.E.C. value assigned to any course, program of study or  
11 subject, other than a correspondence course, computer based training,  
12 interactive internet study training or other course pursued by independent  
13 study, shall in no way be contingent upon passage or satisfactory  
14 completion of any examination given in connection with such course,  
15 program of study or subject. The commissioner shall establish, by rules  
16 and regulations criteria for determining acceptability of any method used  
17 for verification of the completion of each stage of any computer based or  
18 interactive internet study training. Completion of any computer based  
19 training or interactive internet study training shall be verified in  
20 accordance with a method approved by the commissioner.

21 (g) Upon request, the commissioner shall provide a list of all  
22 approved continuing education courses currently available to the public.

23 (h) An individual insurance agent who independently studies an  
24 insurance course, program of study or subject that is not an agent's  
25 examination approved by the commissioner shall receive credit for the  
26 C.E.C.s assigned by the commissioner as recognition for the approved  
27 subject. No other credit shall be given for independent study.

28 (i) Any licensed individual insurance agent who is unable to comply  
29 with license renewal procedures due to military service or some other  
30 extenuating circumstances may request a waiver of those procedures from  
31 the commissioner. Such agent may also request from the commissioner a  
32 waiver of any examination requirement or any other fine or sanction  
33 imposed for failure to comply with renewal procedures.

34 Sec. 2. K.S.A. 40-5512 is hereby amended to read as follows: 40-  
35 5512. (a) As used in this section:

36 (1) "Biennial due date" means the last day of the month of the date of  
37 birth of any public adjuster who is required to complete continuing  
38 education credits and report the completion of the continuing education  
39 credits to the commissioner, except that such due date shall not be earlier  
40 than two years from the date of the public adjuster's initial licensure under  
41 this act.

42 (2) "Biennium" means, for any public adjuster who was born in an  
43 odd-numbered year, the two-year period starting with the public adjuster's

1 biennial due date in 2011 and each two-year period thereafter. For any  
2 public adjuster who was born in an even-numbered year, such term means  
3 the two-year period starting with the public adjuster's biennial due date in  
4 2012 and each two-year period thereafter.

5 (b) An individual, who holds a public adjuster license and who is not  
6 exempt under subsection (d), shall satisfactorily complete a minimum of  
7 18 hours of continuing education courses including three hours of ethics,  
8 reported on a biennial basis in conjunction with the license renewal cycle.  
9 Only continuing education courses approved by the commissioner shall be  
10 used to satisfy the requirements of this subsection.

11 (c) Unless suspended, revoked or refused renewal pursuant to K.S.A.  
12 40-5510, and amendments thereto, a public adjuster's license shall remain  
13 in effect as long as the education requirements for a resident public  
14 adjuster are met by such public adjuster's biennial due date.

15 (d) The continuing education requirements of this section shall not  
16 apply to licensees holding nonresident public adjuster licenses who have  
17 met the continuing education requirements of their home state and whose  
18 home state gives credit to residents of this state on the same basis.

19 (e) (1) *An individual who holds a public adjuster license shall be*  
20 *exempt from the requirement to obtain C.E.C.s if:*

21 (A) *The licensed public adjuster has been continuously licensed in*  
22 *Kansas for at least the immediately preceding 15 years; or*

23 (B) *the licensed public adjuster has not been continuously licensed in*  
24 *Kansas but would otherwise meet the requirements described in*  
25 *paragraph (A), then such public adjuster shall provide certification from*  
26 *the insurance department of each state in which a license was held during*  
27 *the immediately preceding 15 years. Such certification shall list the*  
28 *periods during which the public adjuster was licensed and any periods*  
29 *during which the license was suspended, revoked, lapsed or otherwise*  
30 *disciplined. Periods during which the license was suspended, revoked,*  
31 *lapsed or otherwise disciplined shall not count as time during which the*  
32 *public adjuster was continuously licensed.*

33 (2) *As used in this subsection:*

34 (A) *"Career points" means the age of the public adjuster in whole*  
35 *years added to the number of years that the public adjuster has been*  
36 *continuously licensed.*

37 (B) *"Continuously licensed" means a period of time, in years, during*  
38 *which a public adjuster was licensed and such license was not subject to*  
39 *suspension, revocation, lapse or other such discipline by the Kansas*  
40 *insurance department or the insurance department of any other state.*

41 Sec. 3. K.S.A. 40-4903 and 40-5512 are hereby repealed.

42 Sec. 4. This act shall take effect and be in force from and after its  
43 publication in the statute book.