

DC Land Title Association's Redline of the Producer Licensing Amendment Act of 2007 4/19/07 (through Roy Kaufmann)

Deleted: Title 31. Insurance and Securities. (Refs & Annos)

Formatted Table

Formatted: Font: 14 pt, Bold

Formatted: Font: 14 pt, Bold

Formatted: Font: 14 pt, Bold

Subtitle II. Regulation of Insurance Industry Generally.

Chapter 11A. Insurance Producers.

➔ § 31-1131.02. Definitions.

NOTE: DTLTA believes that the proposed Title Insurance Act of 2005 should be stand-alone legislation and that the applicable provisions of the Insurance Producers Act be incorporated into the Title Insurance Act, rather than making Title Insurance Agents subject to the Producers Act. Accordingly the comments below assume that the applicable provisions will be transferred to the Title Insurance Act.

Formatted: Font: Bold

Specifically, the following provisions would be adapted for inclusion into the Title Insurance Act: 1131.05, 05a, 06, 07a, 07b, 08, 08a, 09, 12, and 16

Because DCLTA's REDLINE changes are appearing in identical font to the changes made earlier, DCLTA's suggested changes are in ALL CAPS.

For the purposes of this chapter, the term:

(1) "Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.

(2) "Commissioner" means the Commissioner of the Department of Insurance, Securities, and Banking.

2(a) "Department" means the Department of Insurance, Securities and Banking

(3) "District" means the District of Columbia.

(4) "Home state" means the District or any state or territory of the United States in which an insurance producer:

Deleted: of Columbia

(A) Maintains his or her principal place of residence or principal place of business; and

(B) Is licensed as a resident insurance producer.

Deleted: an

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

(4A) "Individual" means a natural person.

334648v.1

(5) "Insurance" means any of the lines of authority enumerated in § 31-1131.07. Note: some amendments mentioned to this section, but the words to be deleted are not present in this section.

Deleted: as

(6) "Insurance producer" means a person required to be licensed in the District under this Act to sell, solicit, or negotiate insurance.

(7) "Insurer" means a company offering protection through the sale of an insurance policy to an insured.

(8) "License" means a document issued by the Commissioner authorizing a person to act as an insurance producer for the lines of authority specified in the document.

Deleted: ... [1]

(11) "Limited line of insurance" means a line of insurance:
"(A) Enumerated in section 7(a)(10)(A), (B), (C), (D), or (E);
"(B) Established by the Commissioner pursuant to section 7(a)(10)(F);
or
"(C) Recognized by the Commissioner pursuant to section 7(a)(10)(G)."

Formatted: Line spacing: single

(12) "Limited lines insurance producer" means a person authorized by the Commissioner to sell, solicit, or negotiate a limited line of insurance.

Deleted: "Limited lines insurance" means those lines of insurance that the Commissioner considers necessary to recognize for the purposes of complying with § 31-1131.08(e).

Deleted: limited lines

(13) "NAIC" means the National Association of Insurance Commissioners.

(14) "Negotiate" means the act of conferring directly with, or offering advice directly to, a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract; provided, that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.

(14A) "Non-resident insurance producer" means an insurance producer whose home state is not the District."

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

(15) "Person" means an individual or a business entity.

(15A) "Resident insurance producer" means an insurance producer whose home state is the District."

Formatted: Line spacing: single

(16) "Sell" means to sell or exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company.

(17) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

(18) "Terminate" means the cancellation of the relationship between an insurance producer and an insurer or the termination of a producer's authority to transact insurance.

Deleted: the

(19) "Uniform Business Entity Application" means the current version of the NAIC Uniform Application for Business Entity Insurance License/Registration.

Deleted: Business Entity Application for resident and nonresident business entities.

(20) "Uniform Application" means the current version of the NAIC Uniform Application for Individual Insurance Produce License.

Deleted: resident and nonresident producer licensing

334648v.1

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

Title 31. Insurance and Securities. [\(Refs & Annos\)](#)

Subtitle II. Regulation of Insurance Industry Generally.

Chapter 11A. Insurance Producers.

➔§ 31-1131.03. License required.

(a) A person shall not sell, solicit, or negotiate insurance in the District for any class of insurance unless the person is licensed for that line of authority in accordance with this chapter. The license itself shall not create any authority in the licensee to represent or commit an insurance carrier.

~~(b) (1) A person who maintains his or her principal place of residence and principal place of business in the District shall apply for a resident insurance producer license.~~

~~“(2) A person who maintains his or her principal place of residence and principal place of business outside the District shall apply for a nonresident insurance producer license.~~

~~“(3) A person who maintains either, but not both, his or her principal place of residence and principal place of business in the District shall apply for:~~

~~“(A) A nonresident insurance producer license if the person is licensed as a resident insurance producer in another state; or~~

~~“(B) A resident insurance producer license if the person is not licensed as a resident insurance producer in another state.”.~~

Formatted: Line spacing: single

Subtitle II. Regulation of Insurance Industry Generally.

Chapter 11A. Insurance Producers.

➔§ 31-1131.04. Exceptions to licensing.

(a) This chapter shall not require an insurer to obtain an insurance producer license. For the purposes of this section, the term "insurer" shall not include an insurer's officers, directors, employees, subsidiaries, or affiliates.

(b) The following persons shall not be required to be licensed as an insurance producer:

(1) An officer, director, or employee of an insurer or of an insurance producer;

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

[334648v.1](#)

provided, that:

(A) The officer, director, or employee does not receive any commission on policies written or sold to insure risks residing, located, or to be performed in the District; and

(B)(i) The officer, director, or employee's activities are executive, administrative, managerial, clerical, or a combination of these, and are only indirectly related to the sale, solicitation, or negotiation of insurance;

(ii) The officer, director, or employee's function relates to underwriting, loss control, inspection, or the processing, adjusting, investigating, or settling of a claim on a contract of insurance; or

(iii) The officer, director, or employee is acting in the capacity of a special agent or agency supervisor assisting insurance producers, the person's activities are limited to providing technical advice and assistance to licensed insurance producers, and the person's activities do not include the sale, solicitation, or negotiation of insurance;

(2) If no commission is paid for the service, a person who:

(A) Secures and furnishes information for the purpose of:

(i) Selling group life insurance, group property and casualty insurance, group annuities, or group or blanket accident and health insurance;

(ii) Enrolling individuals under plans; or

(iii) Issuing certificates under plans or otherwise assisting in administering plans; or

(B) Performs administrative services related to mass-marketed property and casualty insurance;

(3) An employer or association, its officers, directors, employees, or the trustees of an employee trust plan, to the extent that the employers, officers, employees, directors, or trustees are engaged in the administration or operation of a program of employee benefits for the employer's or association's own employees or the employees of its subsidiaries or affiliates, which program involves the use of insurance issued by an insurer; provided, that the employers, associations, officers, directors, employees, or trustees are not in any manner compensated, directly or indirectly, by the company issuing the contracts;

(4) Employees of insurers or organizations employed by insurers who are:

(A) Engaging in:

[334648v.1](#)

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

(i) The inspection, rating, or classification of risks; or

(ii) The supervision of the training of insurance producers; and

(B) Are not individually engaged in the sale, solicitation, or negotiation of insurance;

(5) A person whose activities in the District are limited to advertising, without the intent to solicit insurance in the District, through communications in printed publications or other forms of electronic mass media; provided, that the person does not sell, solicit, or negotiate insurance that would insure risks of persons residing in, located in, or activities to be performed in the District;

(6) A person who is not a resident of the District who sells, solicits, or negotiates a contract of insurance for commercial property and casualty risks to an insured with risks located in more than one state insured under that contract; provided, that the person is otherwise licensed as an insurance producer to sell, solicit, or negotiate that insurance in the state where the insured maintains its principal place of business and the contract of insurance insures risks located in that state; or

(7) A salaried full-time employee who counsels or advises his or her employer relative to the insurance interests of the employer or of the subsidiaries or business affiliates of the employer; provided, that the employee does not sell or solicit insurance or receive a commission.

➔ **§ 31-1131.05. Examination prior to licensure.**

Deleted: Chapter 11A. Insurance Producers.

Deleted: Application for examination

Formatted: Line spacing: single

(a) An individual applying for a resident insurance producer license shall pass a written examination unless (DCLTA: UNLESS NO EXAMINATION EXISTS) the individual:

“(1) Is applying for a limited lines insurance producer license or a license in the surplus lines line of authority; or

“(2) Is exempt from examination under § 31-1131.09.”

(3) A new subsection (a-1) is added to read as follows:

(a-1) The examination shall test the knowledge of the individual concerning the lines of authority for which application is made, the duties and responsibilities of an insurance producer, and the insurance laws and regulations of the District.

Deleted: A resident individual applying for an insurance producer license shall pass a written examination unless exempt under § 31-1131.09. The examination shall test the knowledge of the individual concerning the lines of authority for which application is made, the duties and responsibilities of an insurance producer, and the insurance laws and regulations of the District. Examinations required by this section shall be developed and conducted under rules and regulations promulgated by the Commissioner.

(b) The Commissioner may make arrangements, including contracting with an outside testing service, for administering examinations and collecting a nonrefundable fee for the examination.

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

334648v.1

(c) Each individual applying for an examination shall remit a nonrefundable fee for the examination as prescribed by the Commissioner.

(d) An individual who fails to appear for the examination as scheduled or fails to pass the examination ~~may~~ reapply for an examination. ~~The individual shall~~ remit all required fees and forms before being rescheduled for another examination.

Deleted: shal

Deleted: and

(e) DCLTA: THE DCLTA SHALL BE PARTICIPATE IN FORMULATING THE EXAMINATIONS.

DCLTA: [DCLTA: SEE 31-1131.09 FOR EXEMPTION

§ 31-1131.05a. Pre-licensing education

(a) The Commissioner DCLTA: SHALL (NOT “MAY”) REQUIRE (ALSO SEE 31-1131.09 FOR EXEMPTION FROM THIS REQUIREMENT) may require, by rule, that an individual complete a pre-licensing course of study before:

Formatted: Line spacing: single

“(1) Taking the examination required by section 5; or

“(2) Applying for an insurance producer license.

“(b) An insurer that sells, solicits, or negotiates a limited line of insurance in the District shall provide to each individual whose duties will include selling, soliciting, or negotiating the insurer’s limited line of insurance in the District a program of instruction that is approved by the Commissioner. The insurer shall provide the program of instruction to the individual prior to the individual’s application for licensure as a limited lines insurance producer

DCLTA: INSURERS MAY NOT BE INVOLVED IN THE PROGRAM OF INSTRUCTION, BUT DCLTA WOULD TAKE THE LEAD IN THIS. THE COURSE AND INSTRUCTOR COULD BE SUBJECT TO COMMISSIONER’S APPROVAL

[DCLTA: SEE 31-1131.09 FOR EXEMPTION

OTHER EXEMPTION:

Chapter 11A. Insurance Producers.

➔§ 31-1131.06. Application for resident insurance producer license.

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

334648v.1

(a) An individual applying for a resident insurance, producer license shall make application to the Commissioner on the Uniform Individual Application and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct, and complete to the best of the individual's knowledge and belief. Before approving the application, the Commissioner shall find that the individual:

Deleted: person applying for an insurance

(1) Is at least 18 years of age;

(2) Has not committed any act that is a ground for denial, suspension, or revocation set forth in § 31-1131.12;

(3) If required by DCLTA: STATUTE, has completed a pre-licensing course of study for the lines of authority for which the person has applied;

Deleted: the Commissioner

(4) Has paid the fees prescribed by the Commissioner; and

(5) Unless exempt under § 31-1131.09, has successfully passed the examinations for the lines of authority for which the person has applied.

(b) A business entity applying for a resident business entity producer license shall make application to the Commissioner or the Uniform Business Entity Application. Before approving the application, the Commissioner shall find that the business entity has:

Deleted: acting as an insurance producer shall obtain an insurance producer license. Application shall be made using

(1) Paid the fees prescribed by the Commissioner; and

(2) Designated a licensed individual producer responsible for the business entity's compliance with the insurance laws, rules, and regulations of the District.

(c) The Commissioner may require any documents reasonably necessary or appropriate to verify the information contained in an application.

6b Fingerprinting.

An individual applying for a resident insurance producer license under this act (except for an individual applying only for a limited lines insurance producer license) and each officer, director, and partner of, [

DCLTA: NOT APPLICABLE TO TITLE INSURANCE ACT AND OFFICERS OF TITLE INSURERS ALSO?

Deleted: (d) An insurer that sells, solicits, or negotiates any form of limited line credit insurance shall provide to each individual whose duties will include selling, soliciting, or negotiating limited line credit insurance a program of instruction that is approved by the Commissioner.

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

and owner of a controlling interest in, a business entity applying for a resident insurance producer license under this act (except for a business entity applying only for a limited lines insurance producer license) shall submit to the Commissioner his or her fingerprints along with his or her name, address, and written consent to the performance of a criminal history record background check. The Commissioner may require, by rule, that an individual applying only for a resident limited lines insurance producer license and each officer, director, and partner of, and owner of a controlling interest in, a business entity applying only for a resident limited lines insurance producer license, shall submit to the Commissioner his or her fingerprints along with his or her name, address, and written consent to the performance of a criminal history record background check. The Commissioner may exchange the fingerprints and other information with, and receive criminal history record information from, the Metropolitan Police Department and the Federal Bureau of Investigation for the purposes of facilitating determinations regarding eligibility for licensure under this act. The individual or business entity applying for licensure shall bear the cost of the criminal history record background check and all costs of administering and processing the background check.

Deleted: ¶ ... [2]

→§ 31-1131.07. License.

(a) Unless denied licensure under § 31-1131.12, persons who have met the requirements of §§ 31-1131.05 through 31-1131.06 shall be issued a resident insurance producer license. An insurance producer may receive qualification for a license in one or more of the following lines of insurance permitted under law or regulations:

Deleted: and
Deleted: n

(1) Live, consisting of insurance coverage on human lives, including benefits of endowment and annuities, benefits in the event of death or dismemberment by accident, and benefits for disability income;

Deleted: Insurance

(2) Accident and health or sickness, consisting of insurance coverage for sickness, bodily injury, or accidental death, including benefits for disability income;

Deleted: Insurance

(3) Property, consisting of insurance coverage for the direct or consequential loss or damage to property of every kind;

Deleted: Insurance

(4) Casualty, consisting of insurance coverage against legal liability, including that for death, injury, or disability, or damage to real or personal property;

Deleted: l

(5) Variable live and variable annuity, consisting of insurance coverage provided under variable life insurance contracts and variable annuities;

Deleted: l
Deleted: Property and casualty

(6) Personal lines, consisting of insurance coverage sold to individuals and families for primarily noncommercial purposes; and

Deleted:
Deleted: 334648v.1
Deleted: 334648v.1
Formatted: Font: 9 pt
Inserted: 334648v.1

▼ (7) Repealed

[334648v.1](#)

(8) Bail bonds, consisting of insuring or guaranteeing that a person will attend court when required, or will obey the orders or judgment of a court, as a condition to the release of the person from confinement;

Formatted: Line spacing: single

“(9) Surplus lines, consisting of insurance coverage provided pursuant to section 40 of the Fire and Casualty Act, approved October 9, 1940 (54 Stat. 1063; D.C. Official Code § 31-2502.40(a)), by a company not otherwise authorized to do business in the District;

“(10) Any of the following limited lines of insurance:

“(A) Car rental;

“(B) Credit;

“(C) Crop;

“(D) Surety;

“(E) Travel;

“(F) A limited line of insurance established by the Commissioner by rule; and

“(G) A line of insurance the Commissioner recognizes as a limited line of insurance for the purposes of complying with section 8(e).”

Deleted: (7) Limited line credit insurance.

Formatted: Font color: Red

Deleted: (b) An insurance producer license shall remain in effect unless revoked or suspended; provided, that all fees prescribed by the Commissioner are paid and the education requirements for resident individual producers are met.

(c) An individual insurance producer who allows his or her license to lapse may, within one year from the due date of the renewal fee, reinstate the same license without the necessity of passing a written examination; provided, that a penalty in the amount of twice the unpaid renewal fee shall be required.

DCLTA: SEE LAST PAGE FOR ADDITIONAL PROVISION THAT MAY BE ADDED.

(a-1) A person shall not be issued a license in the bail bonds or surplus lines line of insurance unless the person holds, or is simultaneously issued, a license in the property or casualty line of insurance.

(d) An insurance producer who is unable to comply with license renewal procedures due to military service or some other extenuating circumstance may request a waiver of those procedures. The insurance producer may also request a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with renewal procedures.

(e) The license shall contain the licensee's name, address, personal identification number, the date of issuance, the lines of authority, the expiration date, and any other information the Commissioner considers useful or necessary.

(f) repealed

Deleted: A licensee shall inform the Commissioner by any means acceptable to the Commissioner of a change of address within 30 days of the change of address. Failure to timely inform the Commissioner of a change in legal name or address shall result in a fine as prescribed by the Commissioner.

(g) To assist in the performance of the Commissioner's duties, the Commissioner may contract with a third party, including the NAIC, or its affiliates or subsidiaries, to perform any ministerial functions, including the collection of fees, related to producer licensing that the Commissioner may consider appropriate.

Formatted: Line spacing: single

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

§ 31-1131.07A. Term of license; renewal.

(a) DCLTA, WHY NOT A SIMPLE TWO-YEAR TERM AFTER ISSUANCE? An initial individual insurance producer license issued after the effective date of the Producer Licensing Amendment Act of 2006 (and the first renewal after the effective date of the Producer Licensing Amendment Act of 2006 of an individual insurance

334648v.1

producer license initially issued before the effective date of the Producer Licensing Amendment Act of 2006) shall expire on the last day of the birth month of the producer that falls not less than 18 months and not more than 29 months after the effective date of the license.

“(b) An initial business entity insurance producer license issued after the effective date of the Producer Licensing Amendment Act of 2006 (and the first renewal after the effective date of the Producer Licensing Amendment Act of 2006 of a business entity insurance producer license initially issued before the effective date of the Producer Licensing Amendment Act of 2006) shall expire on the May 31 that falls not less than 18 months and not more than 29 months after the effective date of the license.

“(c) A renewal of an existing license shall expire 2 years after the expiration date of the license period; except, the first renewal after the effective date of the Producer Licensing Amendment Act of 2006 of a license initially issued before the effective date of the Producer Licensing Amendment Act of 2006 shall be governed by subsections (a) and (b) of this section.

“(d) A person shall apply for or request renewal of a license on a form, or through such means, as may be prescribed by the Commissioner.

“(e) The Commissioner shall renew an insurance producer license if:

“(1) The producer applies for or requests license renewal on the form, or through such means, prescribed by the Commissioner;

“(2) All fees prescribed by the Commissioner are paid;

“(3) If the producer is a resident insurance producer:

“(A) The continuing education requirements, if any, have been met;

“(B) The license is not subject to non-renewal under section 12; and

“(C) The person has submitted a full set of fingerprints, if required by the Commissioner; and

“(4) If the producer is a non-resident producer, he or she continues to be licensed as a resident producer, in good standing, in his or her home state.

“(f) An individual insurance producer who allows his or her license to lapse may, within one year after the expiration date of the license, reinstate the same license without the necessity of passing a written examination; provided, that a penalty in the amount of twice the unpaid renewal fee shall be paid.

“(g) An insurance producer who is unable to comply with the license renewal procedures due to military service or some other extenuating circumstance may request a waiver of those procedures. The insurance producer may also request a waiver of any examination requirement or any other fine or sanction imposed for failure to comply with renewal procedures.

§ 31-1131.07B. Continuing Education

Formatted: Font: 12 pt

Deleted: Chapter 11A. Insurance Producers.

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

The Commissioner may establish continuing education requirements for resident insurance producers *****DCLTA 8 HOURS PER YEAR? COURSES MAY INCLUDE VIDEOTAPE AND COMPUTER COURSES, PROVIDED HOWEVER, THAT NOT MORE THAN 4 HOURS PER YEAR MAY BE SATISFIED WITH COMPUTER COURSES.

Formatted: Font color: Red

Formatted: Font color: Red

Formatted: Font color: Red

→§ 31-1131.08. Nonresident licensing.

(a) A person may request a non-resident license if the person is licensed as a resident insurance producer in another state.

Deleted:

Deleted: Unless denied licensure under § 31-1131.12 or granted licensure under the requirements of §§ 31-1131.05 and 31-1131.06, a nonresident person shall receive a nonresident insurance producer license if:¶

... [3]

Formatted: Line spacing: single

(a-1) A person requesting a non-resident insurance producer license shall make his or her request on a form, or through such means, prescribed by the Commissioner.

(a-2) Unless denied licensure under section 12 or granted a resident insurance producer license under sections 5 and 6, a nonresident person shall receive a nonresident insurance producer license if:

“(1) The person is currently licensed as a resident and in good standing in his or her home state;

“(2) The person has submitted the proper request for a non-resident insurance producer license and has paid the fees as prescribed by the Commissioner; and

“(3) The person has submitted or transmitted to the Commissioner the application for licensure that the person submitted to his or her home state or, in lieu of the same, a completed Uniform Application.

(b) The Commissioner may verify the insurance producer's licensing status through the producer database maintained by the NAIC, its affiliates, or subsidiaries.

(c) Repealed

Deleted: A nonresident insurance producer who moves from one state to another state or a resident insurance producer who moves from the District of Columbia to another state shall file a change of address and provide certification from the new resident state within 30 days of the change of legal residence. No fee or license application shall be required.

(d) Notwithstanding any other provision of this chapter, a person licensed as a surplus lines producer in his or her home state shall receive a nonresident surplus lines producer license under subsection (a) of this section. Except as provided in subsection (a) of this section, this section shall not amend or supersede any provision of §§ 31-2502.39 and 31-2502.40.

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

DCLTA: requirement to appoint Registered Agent.

(e) Notwithstanding any other provision of this chapter, a person licensed as a limited

334648v.1

lines insurance producer in his or her home state shall receive a nonresident limited lines insurance producer license under subsection (a) of this section granting the same scope of authority as granted under the license issued by the producer's home state. For the purposes of this subsection, the term "limited line insurance" means any authority granted by the home state which restricts the authority of the license to less than the total authority prescribed in the associated major lines under § 31- 1131.07(a)(1) through (6).

Deleted: credit insurance or other type of limited lines

(f) An applicant may qualify for a license under this chapter as a nonresident only if he or she holds an equivalent license in his or her home state. A license issued to a nonresident of the District shall grant the same rights and privileges as a resident licensee.

Formatted: Bullets and Numbering

→§ 31-1131.08A. Changes of name, residency or address.

Formatted: Font: Bold

(a) A licensee shall inform the Commissioner of a change of his or her residential or business address within 30 days of the change of address. A nonresident insurance producer who moves from one state to another state or a resident insurance producer who moves from the District to another state shall file a change of address and provide certification from the new resident state within 30 days after the change of residence. No fee or license application shall be required.

Formatted: Line spacing: single

“(b) A licensee shall inform the Commissioner of a change of his or her legal or corporate name within 30 days after the change of name.

“(c) Failure to timely inform the Commissioner of a change in legal name or address shall result in a fine as prescribed by the Commissioner.

“(d) A person licensed as an insurance producer in another state who moves to the District shall make application within 90 days of establishing legal residence to become a resident licensee under section 6 unless the person maintains his principal place of business in another state and the person has a resident insurance producer license in that state

Chapter 11A. Insurance Producers.

→§ 31-1131.09. Exemption from examination and prelicensing education.

(a) An individual who applies for a resident insurance producer license in the District shall not be required to complete any prelicensing education (DCLTA if prelicensing education is required by the Commissioner pursuant to section 5A) or examination if:

(1) The individual is currently licensed for the same line of authority in another state;

Deleted: n insurance

Deleted: person

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

334648v.1

or

(2)(A) The application is received within 90 days of the cancellation of the applicant's previous license for the same lines of authority in another state; and

(B)(i) The prior state issues a certification that, at the time of cancellation, the person was in good standing in that state; or

(ii) The state's producer database records, maintained by the NAIC, its affiliates, or subsidiaries, indicate that the producer is or was licensed in good standing for the line of authority requested.

(b) ~~repealed~~

(c) ~~repealed~~

~~DCLTA: [DCLTA: FULL EXEMPTION FROM EDUCATION AND EXAMINATION: ALL LAW FIRMS AND ATTORNEYS~~

~~(II) FULL EXEMPTION FROM BOTH EDUCATION AND EXAMINATION: IF APPLICATION IS FILED WITHIN ONE YEAR OF ACTIVATION DATE (AS DEFINED IN TITLE INSURANCE ACT) AGENT WITH CERTIFICATION FROM INSURER THAT S/HE HAS HAD SIGNING AUTHORITY ON POLICIES OR COMMITMENTS FOR THE PAST THREE YEARS RELATING TO PROPERTY LOCATED WITHIN THE DISTRICT OF COLUMBIA~~

(d) ~~repealed~~

(e) The Commissioner may waive the written examination if the applicant for a license as a life insurance agent or broker furnishes proof to the satisfaction of the Commissioner that the applicant has successfully completed:

(1) All of the examinations prescribed by the Society of Chartered Life Underwriters of the American College of Life Underwriters, and has satisfied all other requirements leading to the degree of Chartered life Underwriter; or

(2) Other private examinations for special competency in life insurance which the Commissioner determines, by rule, to have equivalent requirements and standards.

Deleted: A person licensed as an insurance producer in another state who moves to the District shall make application within 90 days of establishing legal residence to become a resident licensee under § 31-1131.06. No preclicensing education or examination shall be required of that person to obtain any line of authority previously held in the prior state unless the Commissioner determines otherwise by regulation.

Deleted: An applicant may apply to the Commissioner to take the examination for a license without any required preclicensing education if the applicant submits proof in a form acceptable to the Commissioner that the individual has attained equivalent knowledge through employment experience. If the Commissioner determines that the employment experience involved the performance of responsible insurance duties in connection with the kind of insurance for which the applicant has applied for a license, the Commissioner may waive such requirement. The applicant shall register for and attain a passing grade on the examination within one year of completion of the required employment experience.

Deleted: The Commissioner may waive the written examination if the applicant for a license as a property and casualty agent and broker furnishes proof to the satisfaction of the Commissioner that the applicant has successfully completed:¶

Deleted: ¶ Chapter 11A. Insurance Producers ... [4]

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

➡ § 31-1131.12. License denial, nonrenewal,

[334648v.1](#)

suspension, or revocation.

(a) ~~The Commissioner may refuse to issue an insurance producer license; place an insurance producer on probation; suspend, revoke, or refuse to renew an insurance producer's license; levy a civil penalty in accordance with subsection (d) of this section; issue subpoenas and administer oaths; or take any combination of these actions if an insurance producer or an applicant for an insurance producer license;~~

Deleted: The Commissioner may place an insurance individual or business entity producer on probation; suspend, revoke, or refuse to issue or renew an insurance producer's license; may levy a civil penalty in accordance with subsection (d) of this section; may issue subpoenas and administer oaths; or take any combination of these actions if an insurance producer

(1) Provides incorrect, misleading, incomplete, or materially untrue information in the license application;

(2) Violates any insurance laws or any regulation, subpoena, or order of the Commissioner or of another state's insurance commissioner;

(3) Obtains, or attempts to obtain, a license through misrepresentation or fraud;

(4) Improperly withholds, misappropriates, or converts any monies or properties received in the course of doing insurance business;

(5) Intentionally misrepresents the terms of an actual or proposed insurance contract or application for insurance;

(6) ~~DCLTA: has not been convicted of a felony within five (5) years prior to the submission of an application or subsequent to the issuance thereof WITH LETTER OF REFERENCE ROM A TITLE INSURER.~~

Deleted: Is convicted of a

Deleted: ;

(7) Admits committing, or is found to have committed, any insurance unfair trade practice or fraud;

(8) Uses fraudulent, coercive, or dishonest practices, or demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in the District or elsewhere;

(9) Has an insurance producer license, or its equivalent, denied, suspended, or revoked in any state or territory of the United States, province of Canada, or other foreign country;

(10) Forges another's name to an application for insurance or to any document related to an insurance transaction;

(11) Improperly uses notes or any other reference material to complete or otherwise cheats on an examination for an insurance license;

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

(12) Knowingly accepts insurance business from an individual who is not licensed;

(13) Fails to comply with an administrative or court order imposing a child support obligation;

(14) Fails to pay District income tax or comply with any administrative or court order directing payment of District income tax AND FAILS TO CURE OR ENTER INTO A REPAYMENT AGREEMENT; or

Deleted: state

Deleted: state

(15) repealed

Deleted: Is found to have been cheating on an examination for an insurance license.

Formatted: Space After: 0 pt

(16) Is found to have misrepresented satisfactory completion of, or improperly used notes or other reference material to complete, or otherwise cheats on, an examination in, a prelicensure or continuing education course.

(a-1) In addition to the reasons set forth in subsection (a) of this section, the Commissioner may place a business entity insurance producer on probation; suspend, revoke, or refuse to renew a business entity insurance producer's license; or levy a civil penalty against a business entity insurance producer if:

Formatted: Line spacing: single

“(1) The occurrence of a license violation was known or should have been known by one or more of the partners, officers, or managers acting on behalf of the business entity;

“(2) The violation was not reported to the Commissioner; and

“(3) Corrective action was not taken.”

(3) Subsection (b) is amended to read as follows:

“(b) (1) Except as provided in paragraph (2) of this subsection, the Commissioner shall not place an insurance producer on probation; suspend, revoke, or refuse to renew an insurance producer's license; or levy a civil penalty against an insurance producer without first providing the following notice and opportunity for hearing to the applicant or licensee. The Commissioner shall notify the applicant or licensee, in writing, of the proposed action and the reason for the proposed action. The Commissioner shall also inform the applicant or licensee, in writing, that he or she may, within 30 days after the date of the Commissioner's notice, request a hearing to determine whether the proposed action should be taken. If a hearing is requested, the hearing shall be held by the Commissioner or a designee of the Commissioner within 30 days after the date of receipt by the Commissioner of the written request, and the Commissioner shall not, except as provided in paragraph (2) of this subsection, take the proposed action before the close of the hearing.

“(2) (A) If the Commissioner determines that further transaction of business by a producer would be hazardous to the public or the policyholders or creditors of the producer, the Commissioner may revoke or suspend the license of the producer without giving notice or prior opportunity for a hearing; provided, the Commissioner shall provide to the producer the opportunity for a hearing within 30 days after the effective date of the order of the revocation or suspension.

“(B) The Commissioner may refuse to issue an initial insurance producer license without giving notice or prior opportunity for a hearing; provided, the Commissioner shall provide to the applicant the opportunity for a hearing within 30 days after the date of the denial.

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

“(3) In a hearing under this subsection, the Commissioner may administer oaths to witnesses and issue subpoenas for witnesses and documents. A witness testifying falsely under oath shall be subject to the penalties of perjury. The Commissioner’s authority to issue subpoenas shall not be limited to hearings if the Commissioner determines that the issuance of a subpoena is useful or necessary to protect the public interest. If a person refuses to obey a subpoena issued by the Commissioner, the Commissioner may petition the Superior Court to enforce the subpoena, and the Superior Court may issue an order requiring the person to appear and testify before the Commissioner or produce documents. A person failing to obey the Superior Court’s order may be held in contempt of court

(c) repealed

(d-1) A person affected or aggrieved by an order, ruling, proceeding, or action of the Commissioner, or any person acting on his behalf, under this subsection may contest the validity of the same in any court of competent jurisdiction by appeal or through any other appropriate proceedings. In any proceeding or appeal, the Commissioner shall not:

- “(1) Be taxed with any costs;
- “(2) Be required to give any supersedeas bond or security for costs or damages;
- “(3) Be liable to suit or action or for any judgment or decree for any damages, loss, or injury claimed by any person on any appeal taken; or
- “(4) Be required to make any deposit for costs or pay for any service to the clerks of any court or to any marshal of the United States, except as may be inconsistent with law.

.....

Chapter 11A. Insurance Producers.

→§ 31-1131.16. Reciprocity.

(a) Except for the requirements imposed by § 31-1131.08, the Commissioner shall waive any requirements for a nonresident license applicant with a valid license from his or her home state, if the applicant's home state awards nonresident licenses to residents of the District on the same basis. The Commissioner may waive any requirements, except for those imposed by § 31-1131.08, for a nonresident license applicant with a valid license from his or her home state if the applicant’s home state does not award nonresident licenses to residents of the District on the same basis. ***** MAKE SENSE TO YOU? ***

334648v.1

Deleted: (b)(1)(A) If, under subsection (a) of this section, the Commissioner refuses to renew or denies an application for a license, the Commissioner shall notify the applicant or licensee and advise, in writing, the applicant or licensee of the reason for the nonrenewal of the license or the denial of the application. The applicant or licensee may make written demand upon the Commissioner within a reasonable time for a hearing before the Commissioner or his or her designee to determine the reasonableness of the Commissioner's action. The hearing shall be held within 30 days from the date of receipt of the Commissioner of the written demand by the applicant.¶

... [5]

Deleted: (1) The license of a business entity may be suspended, revoked, or denied renewal if the Commissioner finds, after a hearing as provided in paragraph (2) of this subsection, that:¶

... [6]

Formatted: Line spacing: single

Deleted: 334648v.1

Deleted: 334648v.1

Formatted: Font: 9 pt

Inserted: 334648v.1

(b) A nonresident insurance producer's satisfaction of his or her home state's continuing education requirements for licensed insurance producers shall constitute satisfaction of the District's continuing education requirements if the nonresident producer's home state recognizes the satisfaction of its continuing education requirements imposed upon insurance producers from the District on the same basis. The Commissioner may MAY??? determine that a nonresident insurance producer's satisfaction of his or her home state's continuing education requirements for licensed insurance producers constitutes satisfaction of the District's continuing education requirements if the nonresident producer's home state does not recognize the satisfaction of its continuing education requirements imposed upon insurance producers from the District on the same basis.

(c) A license issued to a nonresident of the District shall grant the same rights and privileges as a resident licensee.

Deleted: n applicant may qualify for a license under this chapter as a nonresident only if he or she holds an equivalent license in his or her home state. A

These are notes from the Insurance Commissioner's office from the Title Agent legislation, about changes it wants to remind itself to make to the Producer's statute:

Formatted: Line spacing: Double

334648v.1

Deleted: 334648v.1
Deleted: 334648v.1
Formatted: Font: 9 pt
Inserted: 334648v.1

(9) "Limited line credit insurance" includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, or any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation and that the Commissioner determines should be designated as a form of limited line credit insurance.

(10) "Limited line credit insurance producer" means a person who sells, solicits, or negotiates one or more forms of limited line credit insurance coverage to individuals through a master, corporate, group, or individual policy.

Chapter 11A. Insurance Producers.

Unless denied licensure under § 31-1131.12 or granted licensure under the requirements of §§ 31-1131.05 and 31-1131.06, a nonresident person shall receive a nonresident insurance producer license if:

- (1) The person is currently licensed as a resident and in good standing in his or her home state;
- (2) The person has submitted the proper request for licensure and has paid the fees as prescribed by the Commissioner.
- (3) The person has submitted or transmitted to the Commissioner the application for licensure that the person submitted to his or her home state or, in lieu of the same, a completed Uniform Application; and
- (4) The person's home state awards nonresident producer licenses to residents of the District on the same basis.

Chapter 11A. Insurance Producers.

(b)(1)(A) If, under subsection (a) of this section, the Commissioner refuses to renew or denies an application for a license, the Commissioner shall notify the applicant or licensee and advise, in writing, the applicant or licensee of the reason for the nonrenewal of the license or the denial of the application. The applicant or licensee may make written demand upon the Commissioner within a reasonable time for a hearing before the Commissioner or his or her designee to determine the reasonableness of the Commissioner's action. The hearing shall be held within 30 days from the date of receipt of the Commissioner of the written demand by the applicant.

(B) The Commissioner shall not revoke or suspend the license of any such producer

until the Commissioner has given the producer not less than 30 days notice of the proposed revocation or suspension and of the grounds alleged thereof, and has afforded the producer an opportunity for a full hearing; provided, that if the Commissioner shall find upon examination that the further transaction of business by the producer would be hazardous to the public or to the policyholders or creditors of the producer in the District, the Commissioner may suspend the authority without giving notice as herein required, subject to a hearing within 30 days of the effective date of the order of suspension.

(2) In a hearing under this subsection, the Commissioner may administer oaths to witnesses and issue subpoenas. A witness testifying falsely under oath shall be subject to the penalties of perjury. The Commissioner's authority to issue subpoenas shall not be limited to the context of a hearing if the Commissioner shall find upon examination that the issuance of a subpoena is necessary to protect the public interest.

(3) A person affected by an order, ruling, proceeding, or action of the Commissioner, or any person acting on his behalf and at his instance, may contest the validity of the same in any court of competent jurisdiction by appeal or through any other appropriate proceedings. In any proceeding or appeal, the Commissioner shall not:

(A) Be taxed with any costs;

(B) Be required to give any supersedeas bond or security for costs or damages;

(C) Be liable to suit or action or for any judgment or decree for any damages, loss, or injury claimed by any person on any appeal taken; or

(D) Be required to make any deposit for costs or pay for any service to the clerks of any court or to any marshal of the United States, except as may be inconsistent with law.

(1) The license of a business entity may be suspended, revoked, or denied renewal if the Commissioner finds, after a hearing as provided in paragraph (2) of this subsection, that:

(A) The occurrence of a license violation was known or should have been known by one or more of the partners, officers, or managers acting on behalf of the business entity;

(B) The violation was not reported to the Commissioner; and

(C) Corrective action was not taken.

(2) The Commissioner shall not suspend, revoke, or deny renewal of the license of a business entity until the Commissioner has given the producer not less than 30 days notice of the proposed suspension, revocation, or denial and of the grounds alleged therefor, and has afforded the producer an opportunity for a full hearing; provided, that

if the Commissioner shall find upon examination that the further transaction of business by the producer would be hazardous to the public or to the policyholders or creditors of the producer in the District, the Commissioner may suspend the authority without giving notice as herein required, subject to a hearing within 30 days of the effective date of the order of suspension.

(3) The Commissioner shall notify all insurance companies that have appointed the producer or business entity of the revocation or suspension within three business days.

(d) In addition to or in lieu of any applicable denial of renewal, suspension, or revocation of a license, the Commissioner may, after a hearing, take any of the following actions:

(1) Impose a civil penalty not to exceed \$5,000; or

(2) Require restitution to any person who has suffered financial injury or damage as a result of the violation of the license.

(e) After the revocation, surrender, or lapse of a license registration, the Commissioner may enforce the provisions of, and impose any penalty or remedy authorized by, this chapter or any other District law relating to insurance against any person who is under investigation for or charged with a violation of this chapter or any other District law relating to insurance.