

HB60 INTRODUCED



1 MTS2W1-1
2 By Representative Ellis
3 RFD: Insurance
4 First Read: 07-Mar-23
5 PFD: 06-Mar-23



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SYNOPSIS:

Under existing law, insurance producers, independent adjusters, and title insurance agents are required to complete a prelicensing course of study approved by the Commissioner of Insurance prior to taking the appropriate licensing examination.

This bill would delete the requirement for insurance producers, independent adjusters, and title insurance agents to complete a prelicensing course of study prior to taking the appropriate licensing examination.

Under existing law, service representatives are employed by insurance producers in the sale of property insurance.

This bill would eliminate the service representative license in this state prospectively. The bill would authorize a person holding a valid service representative license on the effective date of this act to continue to renew the license.

A BILL
TO BE ENTITLED
AN ACT



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29
30 Relating to the Alabama Department of Insurance; to
31 amend Sections 27-7-5, 27-7-14.1, 27-9A-6, 27-9A-8, 27-9A-9,
32 27-9A-11, 27-25-4.1, and 27-25-4.3, Code of Alabama 1975, to
33 delete the requirement for insurance producers, independent
34 adjusters, apprentice independent adjusters, and title
35 insurance agents to complete a prelicensing course of study
36 approved by the Commissioner of Insurance prior to licensure
37 by the department; and to eliminate the issuance of new
38 service representative licenses prospectively and to authorize
39 a current licensee to renew his or her license.

40 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

41 Section 1. Sections 27-7-5, 27-7-14.1, 27-9A-6,
42 27-9A-8, 27-9A-9, 27-9A-11, 27-25-4.1, and 27-25-4.3, Code of
43 Alabama 1975, are amended to read as follows:

44 "§27-7-5

45 (a) An individual applying for a resident insurance
46 producer license shall make application to the commissioner on
47 the Uniform Application, ~~and an individual applying for a~~
48 ~~service representative license shall make application to the~~
49 ~~commissioner on the application prescribed by the~~
50 ~~commissioner, each~~ declaring under penalty of refusal,
51 suspension, or revocation of the license that the statements
52 made in the application are true, correct, and complete to the
53 best of the individual's knowledge and belief. Before
54 approving the application, the commissioner shall find that
55 the individual has satisfied all of the following:

56 (1) The individual is at least 18 years of age.



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57 (2) The individual has not committed any act that is a
58 ground for denial, suspension, or revocation set forth in
59 Section 27-7-19.

60 ~~(3) The individual has completed a prelicensing course~~
61 ~~of study for the lines of authority for which the person has~~
62 ~~applied, consisting of 20 classroom hours per line of~~
63 ~~authority, or equivalent individual instruction, on the~~
64 ~~general principles of insurance for that line of authority,~~
65 ~~the course to be taught only by those educational~~
66 ~~institutions, junior or senior colleges, technical colleges,~~
67 ~~trade schools, insurance companies, or insurance trade~~
68 ~~organizations which hold written authority from the~~
69 ~~commissioner to issue certificates of completion.~~

70 ~~a. Each authority holder must apply annually for the~~
71 ~~continued authority to issue certificates under rules and~~
72 ~~regulations to be prescribed by the commissioner.~~

73 ~~b. Prior to writing the designated examination for~~
74 ~~license, the applicant must furnish a certificate of~~
75 ~~completion of the aforesaid prelicensing course from the~~
76 ~~authorized educational institution, insurance company, or~~
77 ~~insurance trade organization.~~

78 ~~c. All applicants for a license to transact the life~~
79 ~~lines of authority who are holders of the professional~~
80 ~~designation chartered life underwriter (CLU); all applicants~~
81 ~~for a license to transact the property lines of authority who~~
82 ~~are holders of the professional designations chartered~~
83 ~~property casualty underwriter (CPCU) or certified insurance~~
84 ~~counselor (CIC); or other similar professional insurance~~



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85 ~~designations as the commissioner may prescribe by regulation~~
86 ~~shall be deemed to have completed the prelicensing course as~~
87 ~~prescribed in this subdivision.~~

88 ~~d. All applicants with a minimum of a bachelor's degree~~
89 ~~with a major in insurance from an accredited college or~~
90 ~~university are exempt from the requirements of this~~
91 ~~subdivision for all lines of authority.~~

92 ~~e. All applicants for a license to transact only the~~
93 ~~following lines of authority shall be exempt from the~~
94 ~~requirements of this subdivision:~~

95 ~~1. Variable life and variable annuity products.~~

96 ~~2. Limited lines insurance.~~

97 ~~f. All producers and service representatives who are~~
98 ~~lawfully licensed as such for a particular line of authority~~
99 ~~immediately prior to January 1, 2013, are exempt from the~~
100 ~~requirements of this subdivision for that line of authority~~
101 ~~unless, after January 1, 2013, the license is permitted to~~
102 ~~expire or is otherwise terminated and remains out of effect~~
103 ~~for a period of 12 consecutive months, in which case the~~
104 ~~exemption from the prelicensing course shall no longer be~~
105 ~~applicable.~~

106 ~~(4)~~ (3) The individual has successfully passed the
107 examination for the lines of authority for which the
108 individual has applied, except that no examination shall be
109 required of an applicant as follows:

110 a. All applicants for a license to transact only one or
111 more of the limited lines insurance.

112 b. All applicants for a license to transact the



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113 variable life and variable annuity products line of authority.

114 c. All producers lawfully licensed as such for a
115 particular line of authority immediately prior to January 1,
116 2013, are exempt from the requirements of this subdivision for
117 that line of authority unless, after January 1, 2013, the
118 license is permitted to expire or is otherwise terminated and
119 remains out of effect for a period of 12 consecutive months,
120 in which case the exemption from examination shall no longer
121 be applicable.

122 d. All service representatives.

123 ~~(5)~~ (4) The individual has paid the fees set forth in
124 Section 27-4-2.

125 ~~(6)~~ (b) All producers seeking to be licensed for or
126 holding the variable life and variable annuity product line of
127 authority must also hold the life line of authority as an
128 insurance producer and must also successfully complete the
129 appropriate securities examinations and be registered under
130 applicable federal and state securities laws.

131 ~~(b)~~ (c) A business entity acting as an insurance
132 producer is required to obtain an insurance producer license.
133 Application shall be made using the Uniform Business Entity
134 Application. Before approving the application, the
135 commissioner shall find that the business entity has satisfied
136 all of the following:

137 (1) A licensed individual producer has been designated
138 responsible for the business entity's compliance with the
139 insurance laws, rules, and regulations of this state.

140 (2) The business entity has paid the fees set forth in



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141 Section 27-4-2.

142 ~~(e)~~ (d) The commissioner may require any documents
143 reasonably necessary to verify the information contained in an
144 application.

145 ~~(d)~~ (e) Each insurer that sells, solicits, or negotiates
146 any form of limited line credit insurance shall provide a
147 program of instruction to each individual whose duties will
148 include selling, soliciting, or negotiating limited line
149 credit insurance ~~a program of instruction~~.

150 (f) (1) No new license as a service representative shall
151 be issued by the commissioner after the effective date of the
152 act adding this language.

153 (2) Any person holding a valid service representative
154 license on the effective date of the act adding this language
155 may continue to renew the license after that date if the
156 person otherwise meets the requirements of this section.

157 (3) If any service representative license expires and
158 is not renewed for a period of 12 consecutive months, the
159 license shall not be renewed by the commissioner or otherwise
160 reactivated."

161 "§27-7-14.1

162 (a) Unless denied licensure pursuant to Section
163 27-7-19, persons who have met the requirements of Sections
164 27-7-4.3 and 27-7-5 shall be issued an insurance producer
165 license. An insurance producer may receive qualification for a
166 license in one or more of the following lines of authority:

167 (1) LIFE. Insurance coverage on human lives including
168 benefits of endowment and annuities, and may include benefits



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169 in the event of death or dismemberment by accident and
170 benefits for disability income.

171 (2) ACCIDENT AND HEALTH OR SICKNESS, commonly known as
172 disability. Insurance coverage for sickness, bodily injury, or
173 accidental death and may include benefits for disability
174 income.

175 (3) PROPERTY. Insurance coverage for the direct or
176 consequential loss or damage to property of every kind.

177 (4) CASUALTY. Insurance coverage against legal
178 liability, including that for death, injury, or disability or
179 damage to real or personal property, and surety.

180 (5) VARIABLE LIFE and VARIABLE ANNUITY PRODUCTS.
181 Insurance coverage provided under variable life insurance
182 contracts and variable annuities.

183 (6) PERSONAL LINES. Property and casualty insurance
184 coverage sold to individuals and families for primarily
185 noncommercial purposes.

186 (7) CREDIT. Limited line credit insurance.

187 (8) BAIL BOND. Surety coverage for bail, as defined in
188 Chapter 13 of Title 15.

189 (9) RENTAL VEHICLE. As described in Section 27-7-5.1.

190 (10) CROP. Insurance providing protection against
191 damage to crops from unfavorable weather conditions, fire, or
192 lightning, flood, hail, insect infestation, disease or other
193 yield-reducing conditions or peril provided by the private
194 insurance market, or that is subsidized by the Federal Crop
195 Insurance Corporation, including Multi-Peril Crop Insurance.

196 (11) PORTABLE ELECTRONICS. As defined in Section



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197 27-22A-1.

198 (12) TRAVEL. As described in Section 27-7-5.2.

199 (13) Any other line of insurance permitted under state
200 laws or regulations.

201 ~~(b) Unless denied licensure pursuant to Section~~
202 ~~27-7-19, persons who have met the requirements of Section~~
203 ~~27-7-5 shall be issued a service representative license. A~~
204 ~~service representative shall receive qualification for a~~
205 ~~license in the following lines of authority:~~

206 ~~(1) PROPERTY. Insurance coverage for the direct or~~
207 ~~consequential loss or damage to property of every kind.~~

208 ~~(2) CASUALTY. Insurance coverage against legal~~
209 ~~liability, including that for death, injury, or disability or~~
210 ~~damage to real or personal property, and surety.~~

211 ~~(e)~~ (b) An insurance producer or service representative
212 license shall remain in effect unless revoked or suspended as
213 long as the license renewal fee set forth in Section 27-8A-9
214 is paid and education requirements for resident individual
215 producers and service representatives set forth in Chapter 8A
216 of this title are met by the due date.

217 ~~(d)~~ (c) An individual insurance producer who allows his
218 or her license to lapse ~~may~~, within 12 months from the due
219 date of the renewal fee, may reinstate the same license
220 without the necessity of ~~completing the prelicensing course or~~
221 passing a written examination; a service representative who
222 allows his or her license to lapse ~~may~~, within 12 months from
223 the due date of the renewal fee, may reinstate the same
224 license ~~without the necessity of completing the prelicensing~~



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225 ~~course~~; however, a penalty in the amount of double the unpaid
226 renewal fee shall be required for any renewal fee received
227 after the due date.

228 ~~(e)~~ (d) A licensed insurance producer or service
229 representative who is unable to comply with license renewal
230 procedures due to military service or some other extenuating
231 circumstance, e.g., a long-term medical disability, may
232 request a waiver of those procedures. The producer or service
233 representative may also request a waiver of any examination
234 requirement or any other fine or sanction imposed for failure
235 to comply with renewal procedures."

236 "§27-9A-6

237 (a) An individual applying for a resident independent
238 adjuster license shall apply to the commissioner on the
239 appropriate NAIC Uniform Individual Application and declare
240 under penalty of suspension, revocation, or refusal of the
241 license that the statements made in the application are true,
242 correct, and complete to the best of the individual's
243 knowledge and belief. Before approving the application, the
244 commissioner shall find that the individual meets all of the
245 following:

246 (1) Is at least 18 years of age.

247 (2) Is eligible to designate this state as his or her
248 home state.

249 (3) Has not committed any act that is a ground for
250 probation, suspension, revocation, or refusal of an
251 independent adjuster's license as set forth in Section
252 27-9A-12.



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253 ~~(4) Has completed a prelicensing course of study for~~
254 ~~the line of authority for which the person has applied.~~

255 ~~(5)~~ (4) Has successfully passed the examination for the
256 line of authority for which the ~~person~~individual has applied.

257 ~~(6)~~ (5) Has paid the fees set forth in Section 27-4-2.

258 (b) The commissioner may contract with non-governmental
259 entities, including the NAIC, to perform any ministerial
260 functions, including the collection of fees and data, related
261 to licensing that the commissioner may deem appropriate. The
262 commissioner may require that license applications, license
263 renewal applications, and supporting documentation be filed
264 and all required fees and charges be paid electronically
265 through systems operated or maintained by the non-governmental
266 entities.

267 (c) No resident of another state or of the District of
268 Columbia or of Canada may be licensed pursuant to this section
269 or may designate Alabama as his or her home state unless the
270 ~~person~~individual has successfully passed the independent
271 adjuster examination and has otherwise complied with the other
272 applicable portions of this section.

273 (d) A business entity applying for a resident
274 independent adjuster license shall apply to the commissioner
275 on the appropriate NAIC Uniform Business Entity Application
276 and declare under penalty of suspension, revocation, or
277 refusal of the license that the statements made in the
278 application are true, correct, and complete to the best of the
279 business entity's knowledge and belief. Before approving the
280 application, the commissioner shall find that the business



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281 entity meets all of the following:

282 (1) Is eligible to designate this state as its home
283 state.

284 (2) As applicable, has qualified or registered with the
285 office of the Secretary of State to engage in business in this
286 state.

287 (3) Has designated an individual independent adjuster
288 licensed in this state as responsible for the business
289 entity's compliance with this chapter and with the insurance
290 laws and rules of this state.

291 (4) Has not committed an act that is a ground for
292 probation, suspension, revocation, or refusal of an
293 independent adjuster's license as set forth in Section
294 27-9A-12.

295 (5) Has paid the fees set forth in Section 27-4-2.

296 (e) The commissioner may require any documents
297 reasonably necessary to verify the information contained in
298 the application."

299 "§27-9A-8

300 ~~(a) (1) Every individual subject to the examination~~
301 ~~required in subsection (b) shall first complete a prelicensing~~
302 ~~course consisting of 20 classroom hours per line of authority,~~
303 ~~or equivalent individual instruction.~~

304 ~~(2) The prelicensing course shall have been completed~~
305 ~~within 12 months before the date of the related examination as~~
306 ~~shown on the certificate furnished by the prelicensing course~~
307 ~~provider.~~

308 ~~(3) Every prelicensing course provider shall apply~~



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309 ~~annually for the continued authority to issue certificates of~~
310 ~~completion under rules to be prescribed by the commissioner.~~

311 ~~(4) At the time of initial approval and annually~~
312 ~~thereafter, the commissioner shall collect from each~~
313 ~~prelicensing course provider a fee set by the commissioner not~~
314 ~~to exceed one hundred dollars (\$100). The fee shall be~~
315 ~~deposited in the State Treasury to the credit of the Insurance~~
316 ~~Department Fund. Public institutions shall be exempt from~~
317 ~~paying the fee, but shall otherwise be subject to the rules~~
318 ~~applicable to other providers.~~

319 ~~(b) (1)~~ (a) An individual intending to apply for an
320 independent adjuster license shall pass a written examination
321 unless exempt pursuant to Section 27-9A-9.

322 ~~(2)~~ (b) The examination shall test the knowledge of the
323 individual concerning the lines of authority for which
324 application is made, the duties and responsibilities of an
325 independent adjuster, and the insurance laws and
326 ~~regulations~~ rules of this state. Examinations required by this
327 section shall be developed and conducted under rules
328 prescribed by the commissioner.

329 ~~(3)~~ (c) Each individual applying for an examination
330 shall ~~furnish a certificate of completion of the prelicensing~~
331 ~~course from an authorized prelicensing course provider and pay~~
332 a ~~non-refundable~~ nonrefundable fee prescribed by the
333 commissioner as set forth in Section 27-4-2.

334 ~~(4)~~ (d) The commissioner may make arrangements,
335 including contracting with an outside testing service, for
336 administering examinations and collecting the nonrefundable



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337 fee set forth in Section 27-4-2.

338 ~~(5)~~ (e) An individual who fails to appear for the
339 examination as scheduled or fails to pass the examination
340 shall reapply for an examination and remit all required fees
341 and forms before being rescheduled for another examination.

342 ~~(6)~~ (f) No individual who has taken and failed to pass
343 two examinations given pursuant to this section for a
344 particular line of insurance shall be entitled to take any
345 further examination for that line of insurance until after the
346 expiration of three months from the date of the last
347 examination which the individual failed to pass. If the
348 individual fails to pass the examination after two more
349 attempts, the individual shall not be eligible to take any
350 further examination for that line of insurance until after the
351 expiration of six months from the date of the last
352 unsuccessful examination. An examination fee shall be paid for
353 each ~~and every~~ examination."

354 "§27-9A-9

355 (a) An individual applicant for an independent adjuster
356 license in this state shall not be required to complete ~~any~~
357 ~~prelicensing course or~~ an examination if the person is
358 currently licensed in another state for the same line or lines
359 of authority based on an independent adjuster examination or
360 if such state license has expired and the application is
361 received by this state within 90 days of expiration. The
362 applicant shall either provide certification from the other
363 state that the applicant's license is currently in good
364 standing or was in good standing at the time of expiration or



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365 the state's producer database records maintained by the NAIC
366 must indicate that the applicant is or was licensed in good
367 standing. The certification must be of a license with the same
368 line of authority for which the individual has applied.

369 (b) ~~A person~~An individual licensed as an independent
370 adjuster in another state based on an independent adjuster
371 examination who, within 90 days of establishing legal
372 residency in this state, applies to become a resident
373 independent adjuster licensee pursuant to Section 27-9A-6
374 shall not be required to complete ~~a prelicensing course or~~ an
375 examination.

376 (c) An individual who applies for an independent
377 adjuster license in this state who was previously licensed as
378 an independent adjuster in this state shall not be required to
379 complete ~~a prelicensing course or~~an examination, but this
380 exemption is only available if the application is received
381 within 12 months of the cancellation of the applicant's
382 previous license in this state and if, at the time of
383 cancellation, the applicant was in good standing in this
384 state.

385 (d) An individual applicant for an independent adjuster
386 license in this state shall not be required to complete ~~a~~
387 ~~prelicensing course or~~an examination if the applicant was
388 previously employed for a minimum of 20 years as an adjuster
389 in this state by an insurance company licensed in this state
390 and the applicant submits his or her application within 12
391 months of leaving the employment of the company. The insurance
392 company, upon request, shall certify to the department the



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393 time period that the applicant was employed by the insurance
394 company.

395 ~~(e) An individual applicant for an independent adjuster~~
396 ~~license in this state shall not be required to complete any~~
397 ~~prelicensing course or examination if the applicant holds a~~
398 ~~certification from a person or entity approved by the~~
399 ~~commissioner that provides adjuster education and training and~~
400 ~~that requires, as a prerequisite to certification, an~~
401 ~~examination substantially equivalent to that of this state.~~
402 ~~The applicant shall provide evidence of current~~
403 ~~certification."~~

404 "§27-9A-11

405 (a) The apprentice independent adjuster license is a
406 temporary license for an individual residing in this state who
407 is qualified for an independent adjuster license except ~~as to~~
408 ~~having taken and passed~~ for taking and passing the
409 ~~prelicensing course and~~ examination for independent adjuster.

410 (b) An individual applying for an apprentice
411 independent adjuster license shall apply to the commissioner
412 on the appropriate NAIC Uniform Individual Application and
413 declare under penalty of suspension, revocation, or refusal of
414 the license that the statements made in the application are
415 true, correct, and complete to the best of the individual's
416 knowledge and belief. Before approving the application, the
417 commissioner shall find that the individual meets all of the
418 following:

419 (1) Is at least 18 years of age.

420 (2) Is a resident of this state.



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421 (3) Has a business or mailing address in this state.

422 (4) Has not committed any act that is a ground for
423 probation, suspension, revocation, or denial of licensure as
424 set forth in Section 27-9A-12.

425 (5) Has paid the fees for an individual independent
426 adjuster license as set forth in Section 27-4-2.

427 (c) The apprentice independent adjuster license shall
428 be subject to all of the following terms and conditions:

429 (1) Accompanying the apprentice adjuster application
430 shall be an attestation from an independent adjuster licensed
431 in this state with the same lines of authority for which the
432 apprentice has applied certifying that the apprentice will be
433 subject to training, direction, and control by the licensed
434 independent adjuster and further certifying that the licensed
435 independent adjuster assumes responsibility for the actions of
436 the apprentice in the apprentice's capacity as an independent
437 adjuster. A licensed independent adjuster shall not supervise
438 more than five active apprentice adjuster licensees at any
439 given time.

440 (2) The apprentice independent adjuster is only
441 authorized to adjust claims in this state.

442 (3) The apprentice licensee is restricted to
443 participation in the adjusting of claims subject to the review
444 and final determination of the claim by the supervising
445 licensed independent adjuster.

446 (4) Compensation of an apprentice independent adjuster
447 shall be on a salaried or hourly basis only.

448 (5) At any time during the period of the license the



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449 apprentice independent adjuster may ~~complete the prelicensing~~
450 ~~course and~~ take the examination required by Section 27-9A-8.
451 If the apprentice independent adjuster successfully completes
452 the independent adjuster examination, the apprentice
453 independent adjuster license shall automatically terminate and
454 an independent adjuster license shall be issued in place
455 thereof.

456 (6) The apprentice independent adjuster license is
457 valid for a period not to exceed 12 months and is
458 nonrenewable. An individual may only hold an apprentice
459 independent adjuster license once in his or her lifetime.

460 (7) An apprentice independent adjuster shall be subject
461 to Sections 27-9A-12, 27-9A-14, 27-9A-15, and Chapter 12 ~~of~~
462 ~~this title~~ to the same extent as if licensed as an independent
463 adjuster in this state."

464 "§27-25-4.1

465 (a) The commissioner may contract with non-governmental
466 entities, including NAIC, to perform any ministerial
467 functions, including the collection of fees and data, related
468 to licensing that the commissioner may deem appropriate. The
469 commissioner may require that license applications, license
470 renewal applications, notices of appointments and appointment
471 terminations, and supporting documentation be filed and all
472 required fees and charges be paid electronically through
473 systems operated or maintained by the non-governmental
474 entities.

475 (b) An individual applying for a title insurance agent
476 license shall apply to the commissioner on the appropriate



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477 NAIC Uniform Individual Application and declare under penalty
478 of suspension, revocation, or refusal of the license that the
479 statements made in the application are true, correct, and
480 complete to the best of the individual's knowledge and belief.
481 Before approving the application, the commissioner shall find
482 that the individual meets all of the following:

483 (1) Is at least 19 years of age.

484 (2) Is a bona fide resident and citizen of this state
485 or is a full-time employee of a duly licensed title insurance
486 agent whose principal place of business is physically located
487 in this state.

488 (3) Has not committed any act that is a ground for
489 probation, suspension, revocation, or refusal of license as
490 set forth in Section 27-25-4.5.

491 ~~(4) Has completed the prelicensing course of study for~~
492 ~~title insurance as required in Section 27-25-4.3.~~

493 ~~(5)~~ (4) Has successfully passed the examination for
494 title insurance as required in Section 27-25-4.3.

495 ~~(6)~~ (5) Has paid the fees set forth in Section
496 27-25-4.7.

497 (c) A business entity applying for a title insurance
498 agent license shall apply to the commissioner on the
499 appropriate NAIC Uniform Business Entity Application and
500 declare under penalty of suspension, revocation, or refusal of
501 the license that the statements made in the application are
502 true, correct, and complete to the best of the business
503 entity's knowledge and belief. Before approving the
504 application, the commissioner shall find that the business



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505 entity meets all of the following:

506 (1) Is a domestic entity properly formed and existing
507 under Title 10A and whose principal place of business is
508 physically located in this state.

509 (2) Has designated an individual title insurance agent
510 licensed in this state as responsible for the business
511 entity's compliance with this chapter and with the insurance
512 laws, rules, and regulations of this state.

513 (3) Has not committed an act that is a ground for
514 probation, suspension, revocation, or refusal of license as
515 set forth in Section 27-25-4.5.

516 (4) Has paid the fees set forth in Section 27-25-4.7.

517 (d) The commissioner may require any documents
518 reasonably necessary to verify the information contained in
519 the application."

520 "§27-25-4.3

521 ~~(a) (1) Every individual subject to the examination~~
522 ~~required in subsection (b) shall first complete a prelicensing~~
523 ~~course consisting of 20 classroom hours or equivalent~~
524 ~~individual instruction on the general principles of title~~
525 ~~insurance, the duties and responsibilities of a title~~
526 ~~insurance agent, and the title insurance laws and regulations~~
527 ~~of this state. The course shall be taught only by those~~
528 ~~educational institutions, title insurers, or title insurance~~
529 ~~trade organizations which hold written authority from the~~
530 ~~commissioner.~~

531 ~~(2) The prelicensing course must have been completed~~
532 ~~within 12 months before the date of the examination as shown~~



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533 ~~on the certificate furnished by the prelicensing course~~
534 ~~provider.~~

535 ~~(3) Every prelicensing course provider shall apply~~
536 ~~annually for the continued authority to issue certificates of~~
537 ~~completion under rules and regulations to be prescribed by the~~
538 ~~commissioner.~~

539 ~~(4) At the time of initial approval and annually~~
540 ~~thereafter, the commissioner shall collect from each~~
541 ~~prelicensing course provider the fee set forth in Section~~
542 ~~27-25-4.7. Public institutions shall be exempt from paying the~~
543 ~~fee but shall otherwise be subject to the rules and~~
544 ~~regulations applicable to other providers.~~

545 ~~(b) (1)~~ (a) (1) An individual intending to apply for a
546 title insurance agent license shall first pass a written
547 examination unless exempt pursuant to subsection ~~(c)~~ (b).

548 (2) The examination shall test the knowledge of the
549 individual concerning title insurance, the duties and
550 responsibilities of a title insurance agent, and the insurance
551 laws of this state. Examinations required by this section
552 shall be developed and conducted under rules prescribed by the
553 commissioner.

554 (3) Each individual applying for an examination shall
555 ~~furnish a certificate of completion of the prelicensing course~~
556 ~~from an authorized prelicensing course provider and pay a~~
557 nonrefundable examination fee pursuant to Section 27-25-4.7.

558 (4) The commissioner may make arrangements, including
559 contracting with an outside testing service, for administering
560 examinations and collecting the nonrefundable fee prescribed



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561 by the commissioner, in which case the fees approved by the
562 commissioner for the examinations may be paid directly to the
563 outside testing service, and the fee shall be in lieu of, but
564 not in excess of, the fees for the examination set forth in
565 Section 27-25-4.7.

566 (5) An individual who fails to appear for the
567 examination as scheduled or fails to pass the examination
568 shall reapply for an examination and remit all required fees
569 and forms before being rescheduled for another examination.

570 (6) No individual who has taken and failed to pass two
571 examinations given pursuant to this section shall be entitled
572 to take any further title insurance agent examinations until
573 after the expiration of three months from the date of the last
574 examination which the individual failed to pass. If the
575 individual thereafter fails to pass the examination after two
576 more attempts, the individual shall not be eligible to take
577 any further title insurance agent examinations until after the
578 expiration of six months from the date of the last
579 unsuccessful examination. An examination fee shall be paid for
580 each ~~and every~~ examination.

581 ~~(e)~~ (b) An individual shall be exempt from the
582 examination requirement of subsection ~~(b)~~ (a) only as follows:

583 (1) If, within 90 days after January 1, 2013, the
584 applicant can establish to the satisfaction of the
585 commissioner that for a period of at least five years
586 preceding January 1, 2013, the applicant has been an
587 authorized signatory to commitments, title insurance policies,
588 and endorsements to title insurance policies issued by the



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589 title insurance agent on behalf of a title insurer properly
590 authorized to conduct the business of title insurance in this
591 state.

592 (2) If the individual was previously licensed as a
593 title insurance agent in this state after having passed the
594 examination required by subsection ~~(b)~~ (a) or being exempt from
595 the examination under subdivision (1), this exemption is
596 available only if the application is received within 12 months
597 of the cancellation of the applicant's previous license in
598 this state and if, at the time of cancellation, the applicant
599 was in good standing in this state."

600 Section 2. This act shall become effective on January
601 1, 2024, following its passage and approval by the Governor,
602 or its otherwise becoming law.