

1 SB101
2 155505-7
3 By Senator Bussman
4 RFD: Banking and Insurance
5 First Read: 14-JAN-14
6 PFD: 01/10/2014

1 SB101

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4 ENROLLED, An Act,

5 To amend Sections 27-7-4.4, 27-9A-17, and 27-25-4.6,
6 Code of Alabama 1975, relating to the licensing by the
7 Department of Insurance, insurance producers, title insurance
8 agents, and independent adjusters, and authorizing the
9 Commissioner of Insurance to require the submission of
10 fingerprints for the purpose of criminal background checks; to
11 delete all reference to submitting and storing the electronic
12 fingerprint records with the National Association of Insurance
13 Commissioners for retention in a centralized repository and to
14 provide an exception for limited lines producers.

15 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

16 Section 1. Sections 27-7-4.4, 27-9A-17, and
17 27-25-4.6, Code of Alabama 1975, are amended to read as
18 follows:

19 "§27-7-4.4.

20 "(a) In order to make a determination of insurance
21 producer license eligibility, the commissioner is authorized
22 to require fingerprints of initial resident applicants for an
23 insurance producer license and to submit the fingerprints and
24 the fee required to perform the criminal history record checks
25 to the Alabama Department of Public Safety and the Federal

1 Bureau of Investigation (FBI) for state and national criminal
2 history record checks.

3 "(b) The commissioner shall require a criminal
4 history record check on each initial resident applicant for
5 insurance producer license in accordance with this section.
6 The commissioner shall require each applicant to submit a full
7 set of fingerprints, including a scanned file from a hard copy
8 fingerprint, in order for the commissioner to obtain and
9 receive national criminal history records from the FBI
10 Criminal Justice Information Services Division.

11 "(c) The commissioner may contract for the
12 collection, transmission, and resubmission of fingerprints
13 required under this section. If the commissioner does so, the
14 fee for collecting, transmitting, and retaining fingerprints
15 shall be payable directly to the contractor by the applicant.
16 The commissioner may agree to a reasonable fingerprinting fee
17 to be charged by the contractor and both the contractor's fee
18 and the fee required to perform the criminal history check
19 shall be collected from the applicant by the contractor.

20 ~~"(d) The commissioner may waive submission of~~
21 ~~fingerprints by any person who has previously furnished~~
22 ~~fingerprints and those fingerprints are on file with the~~
23 ~~centralized repository of the NAIC.~~

24 ~~"(e)~~ (d) The commissioner is authorized to receive
25 criminal history record information in lieu of the Alabama

1 Department of Public Safety that submitted the fingerprints to
2 the FBI.

3 ~~"(f) The commissioner is authorized to submit~~
4 ~~electronic fingerprint records and necessary identifying~~
5 ~~information to the NAIC for permanent retention in a~~
6 ~~centralized repository. The purpose of such a centralized~~
7 ~~repository is to provide insurance commissioners with access~~
8 ~~to fingerprint records in order to perform criminal history~~
9 ~~record checks.~~

10 ~~"(g) (e)~~ The commissioner shall treat and maintain an
11 applicant's fingerprints and any criminal history record
12 information obtained under this section as confidential and
13 shall apply security measures consistent with the Criminal
14 Justice Information Services Division of the Federal Bureau of
15 Investigation standards for the electronic storage of
16 fingerprints and necessary identifying information and limit
17 the use of records solely to the purposes authorized in this
18 section. The fingerprints and any criminal history record
19 information shall not be subject to subpoena, other than one
20 issued in a criminal action or investigation, and shall be
21 confidential.

22 ~~"(h) (f)~~ As used in this section, initial resident
23 applicant means an initial home state license and an
24 additional line of authority under an existing home state

1 license where a criminal history record check has not been
2 obtained.

3 "(g) This section shall not apply to limited lines
4 producers as defined in Section 27-7-1.

5 "(i)(h) The commissioner may promulgate reasonable
6 regulations as are necessary or proper to carry out the
7 purposes of this section in accordance with Chapter 2 of this
8 title. The commissioner may by regulation provide for the
9 delayed enforcement of this section for up to 24 months
10 following ~~January 1, 2013,~~ the effective date of the act
11 amending this subsection to allow for implementation.

12 "§27-9A-17.

13 "(a) In order to make a determination of license
14 eligibility, the commissioner may require fingerprints of
15 applicants and to submit the fingerprints and the fee required
16 to perform the criminal history record checks to the Alabama
17 Department of Public Safety and the Federal Bureau of
18 Investigation for state and national criminal history record
19 checks.

20 "(b) The commissioner may require a criminal history
21 record check on each applicant in accordance with this
22 section. The commissioner shall require each applicant to
23 submit a full set of fingerprints, including a scanned file
24 from a hard copy fingerprint, in order for the commissioner to
25 obtain and receive national criminal history records from the

1 Criminal Justice Information Services Division of the Federal
2 Bureau of Investigation. In the case of business entity
3 applicants, the commissioner shall require the submission of
4 fingerprints of all of the following:

5 "(1) All executive officers and directors of the
6 applicant.

7 "(2) Any individual owning, directly or indirectly,
8 51 percent or more of the outstanding voting securities of the
9 applicant.

10 "(3) All executive officers and directors of
11 entities owning 51 percent or more of the outstanding voting
12 securities of the applicant.

13 "(c) The commissioner may contract for the
14 collection, transmission, and resubmission of fingerprints
15 required under this section. If the commissioner does so, the
16 fee for collecting, transmitting, and retaining fingerprints
17 shall be payable directly to the contractor by the person. The
18 commissioner may agree to a reasonable fingerprinting fee to
19 be charged by the contractor.

20 "~~(d) The commissioner may waive submission of~~
21 ~~fingerprints by any person that has previously furnished~~
22 ~~fingerprints and those fingerprints are on file with the~~
23 ~~centralized repository of the NAIC.~~

24 "~~(e)~~ (d) The commissioner may receive criminal
25 history record information from the Federal Bureau of

1 Investigation in lieu of the information being submitted to
2 the Alabama Department of Public Safety.

3 ~~"(f) The commissioner may submit electronic~~
4 ~~fingerprint records and necessary identifying information to~~
5 ~~the NAIC for permanent retention in a centralized repository.~~
6 ~~The purpose of such a centralized repository is to provide~~
7 ~~insurance commissioners with access to fingerprint records in~~
8 ~~order to perform criminal history record checks.~~

9 ~~"(g)(e)~~ The commissioner shall treat and maintain an
10 applicant's fingerprints and any criminal history record
11 information obtained under this section as confidential and
12 shall apply security measures consistent with the Criminal
13 Justice Information Services Division of the Federal Bureau of
14 Investigation standards for the electronic storage of
15 fingerprints and necessary identifying information and limit
16 the use of records solely to the purposes authorized in this
17 section. The fingerprints and any criminal history record
18 information shall not be subject to subpoena, other than one
19 issued in a criminal action or investigation, and shall be
20 confidential.

21 "(f) The commissioner, by regulation, may provide
22 for the delayed enforcement of this section for up to 24
23 months following the effective date of the act adding this
24 subsection to allow for implementation.

25 "§27-25-4.6.

1 "(a) In order to make a determination of title
2 insurance agent license eligibility, the commissioner may
3 require fingerprints of initial applicants for a title
4 insurance agent license, and the fingerprints and the fee
5 required to perform the criminal history record checks shall
6 be submitted to the Alabama Department of Public Safety and
7 the Federal Bureau of Investigation (FBI) for state and
8 national criminal history record checks.

9 "(b) The commissioner shall require a criminal
10 history record check on each initial applicant for title
11 insurance agent license pursuant to this section. The
12 commissioner shall require each applicant to submit a full set
13 of fingerprints, including a scanned file from a hard copy
14 fingerprint, to allow the commissioner to obtain and receive
15 national criminal history records from the FBI Criminal
16 Justice Information Services Division.

17 "(c) The commissioner may contract for the
18 collection, transmission, and resubmission of fingerprints
19 required pursuant to this section, and the fee for collecting,
20 transmitting, and retaining fingerprints shall be payable
21 directly to the contractor by the applicant. The commissioner
22 may agree to a reasonable fingerprinting fee to be charged by
23 the contractor, and both the contractor's fee and the fee
24 required to perform the criminal history check shall be
25 collected from the applicant by the contractor.

1 ~~"(d) The commissioner may waive submission of~~
2 ~~fingerprints by any person that has previously furnished~~
3 ~~fingerprints and those fingerprints are on file with the~~
4 ~~centralized repository of the NAIC.~~

5 ~~"(e)~~ (d) The criminal history record information may
6 be submitted to the commissioner instead of the Alabama
7 Department of Public Safety.

8 ~~"(f) The commissioner may submit electronic~~
9 ~~fingerprint records and necessary identifying information to~~
10 ~~the NAIC for permanent retention in a centralized repository.~~
11 ~~The purpose of a centralized repository is to provide~~
12 ~~insurance commissioners with access to fingerprint records to~~
13 ~~perform criminal history record checks.~~

14 ~~"(g)~~ (e) The commissioner shall treat and maintain an
15 applicant's fingerprints and any criminal history record
16 information obtained pursuant to this section as confidential
17 and shall apply security measures consistent with the Criminal
18 Justice Information Services Division of the Federal Bureau of
19 Investigation standards for the electronic storage of
20 fingerprints and necessary identifying information and limit
21 the use of records solely to the purposes authorized in this
22 section. The fingerprints and any criminal history record
23 information shall not be subject to subpoena, other than one
24 issued in a criminal action or investigation, and shall be
25 confidential.

1 "(f) The commissioner, by regulation, may provide
2 for the delayed enforcement of this section for up to 24
3 months from the effective date of the act adding this
4 subsection to allow for delayed implementation."

5 Section 2. This act shall become effective
6 immediately following its passage and approval by the
7 Governor, or its otherwise becoming law.

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President and Presiding Officer of the Senate

Speaker of the House of Representatives

SB101

Senate 28-JAN-14

I hereby certify that the within Act originated in and passed the Senate, as amended.

Patrick Harris
Secretary

House of Representatives
Passed: 01-APR-14

By: Senator Bussman