

1 SB101  
2 155505-3  
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 ENGROSSED

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7 A BILL  
8 TO BE ENTITLED  
9 AN ACT

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

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. Sections 27-7-4.4, 27-9A-17, and  
23 27-25-4.6, Code of Alabama 1975, are amended to read as  
24 follows:

25 "§27-7-4.4.

26 "(a) In order to make a determination of insurance  
27 producer license eligibility, the commissioner is authorized

1 to require fingerprints of initial resident applicants for an  
2 insurance producer license and to submit the fingerprints and  
3 the fee required to perform the criminal history record checks  
4 to the Alabama Department of Public Safety and the Federal  
5 Bureau of Investigation (FBI) for state and national criminal  
6 history record checks.

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

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

24 ~~"(d) The commissioner may waive submission of~~  
25 ~~fingerprints by any person who has previously furnished~~  
26 ~~fingerprints and those fingerprints are on file with the~~  
27 ~~centralized repository of the NAIC.~~

1           "~~(e)~~ (d) The commissioner is authorized to receive  
2 criminal history record information in lieu of the Alabama  
3 Department of Public Safety that submitted the fingerprints to  
4 the FBI.

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

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

24           "~~(h)~~ (f) As used in this section, initial resident  
25 applicant means an initial home state license and an  
26 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  
26 Criminal Justice Information Services Division of the Federal  
27 Bureau of Investigation. In the case of business entity

1 applicants, the commissioner shall require the submission of  
2 fingerprints of all of the following:

3 "(1) All executive officers and directors of the  
4 applicant.

5 "(2) Any individual owning, directly or indirectly,  
6 51 percent or more of the outstanding voting securities of the  
7 applicant.

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

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 person. The  
16 commissioner may agree to a reasonable fingerprinting fee to  
17 be charged by the contractor.

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

22 ~~"(e)~~ (d) The commissioner may receive criminal  
23 history record information from the Federal Bureau of  
24 Investigation in lieu of the information being submitted to  
25 the Alabama Department of Public Safety.

26 ~~"(f) The commissioner may submit electronic~~  
27 ~~fingerprint records and necessary identifying information to~~

1 ~~the NAIC for permanent retention in a centralized repository.~~  
2 ~~The purpose of such a centralized repository is to provide~~  
3 ~~insurance commissioners with access to fingerprint records in~~  
4 ~~order to perform criminal history record checks.~~

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

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

21       "§27-25-4.6.

22       "(a) In order to make a determination of title  
23 insurance agent license eligibility, the commissioner may  
24 require fingerprints of initial applicants for a title  
25 insurance agent license, and the fingerprints and the fee  
26 required to perform the criminal history record checks shall  
27 be submitted to the Alabama Department of Public Safety and

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

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

11 "(c) The commissioner may contract for the  
12 collection, transmission, and resubmission of fingerprints  
13 required pursuant to this section, and the fee for collecting,  
14 transmitting, and retaining fingerprints shall be payable  
15 directly to the contractor by the applicant. The commissioner  
16 may agree to a reasonable fingerprinting fee to be charged by  
17 the contractor, and both the contractor's fee and the fee  
18 required to perform the criminal history check shall be  
19 collected from the applicant 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 criminal history record information may  
25 be submitted to the commissioner instead of the Alabama  
26 Department of Public Safety.

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

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

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

23           Section 2. This act shall become effective  
24 immediately following its passage and approval by the  
25 Governor, or its otherwise becoming law.

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3 Senate  
  
4 Read for the first time and referred to the Senate  
5 committee on Banking and Insurance..... 14-JAN-14  
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7 Read for the second time and placed on the calen-  
8 dar 1 amendment..... 22-JAN-14  
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10 Read for the third time and passed as amended .... 28-JAN-14

11 Yeas 21  
12 Nays 0

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14  
15 Patrick Harris  
16 Secretary  
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