

**HB60 ENROLLED**



1 MTS2W1-2  
2 By Representative Ellis  
3 RFD: Insurance  
4 First Read: 07-Mar-23  
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6 2023 Regular Session



## HB60 Enrolled

1 Enrolled, An Act,

2

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

13 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

14 Section 1. Sections 27-7-5, 27-7-14.1, 27-9A-6,  
15 27-9A-8, 27-9A-9, 27-9A-11, 27-25-4.1, and 27-25-4.3, Code of  
16 Alabama 1975, are amended to read as follows:

17 "§27-7-5

18 (a) An individual applying for a resident insurance  
19 producer license shall make application to the commissioner on  
20 the Uniform Application, ~~and an individual applying for a~~  
21 ~~service representative license shall make application to the~~  
22 ~~commissioner on the application prescribed by the~~  
23 ~~commissioner, each~~ declaring under penalty of refusal,  
24 suspension, or revocation of the license that the statements  
25 made in the application are true, correct, and complete to the  
26 best of the individual's knowledge and belief. Before  
27 approving the application, the commissioner shall find that  
28 the individual has satisfied all of the following:



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

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

33 ~~(3) The individual has completed a prelicensing course~~  
34 ~~of study for the lines of authority for which the person has~~  
35 ~~applied, consisting of 20 classroom hours per line of~~  
36 ~~authority, or equivalent individual instruction, on the~~  
37 ~~general principles of insurance for that line of authority,~~  
38 ~~the course to be taught only by those educational~~  
39 ~~institutions, junior or senior colleges, technical colleges,~~  
40 ~~trade schools, insurance companies, or insurance trade~~  
41 ~~organizations which hold written authority from the~~  
42 ~~commissioner to issue certificates of completion.~~

43 ~~a. Each authority holder must apply annually for the~~  
44 ~~continued authority to issue certificates under rules and~~  
45 ~~regulations to be prescribed by the commissioner.~~

46 ~~b. Prior to writing the designated examination for~~  
47 ~~license, the applicant must furnish a certificate of~~  
48 ~~completion of the aforesaid prelicensing course from the~~  
49 ~~authorized educational institution, insurance company, or~~  
50 ~~insurance trade organization.~~

51 ~~c. All applicants for a license to transact the life~~  
52 ~~lines of authority who are holders of the professional~~  
53 ~~designation chartered life underwriter (CLU); all applicants~~  
54 ~~for a license to transact the property lines of authority who~~  
55 ~~are holders of the professional designations chartered~~  
56 ~~property casualty underwriter (CPCU) or certified insurance~~



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57 ~~counselor (CIC); or other similar professional insurance~~  
58 ~~designations as the commissioner may prescribe by regulation~~  
59 ~~shall be deemed to have completed the prelicensing course as~~  
60 ~~prescribed in this subdivision.~~

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

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

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

69 ~~2. Limited lines insurance.~~

70 ~~f. All producers and service representatives who are~~  
71 ~~lawfully licensed as such for a particular line of authority~~  
72 ~~immediately prior to January 1, 2013, are exempt from the~~  
73 ~~requirements of this subdivision for that line of authority~~  
74 ~~unless, after January 1, 2013, the license is permitted to~~  
75 ~~expire or is otherwise terminated and remains out of effect~~  
76 ~~for a period of 12 consecutive months, in which case the~~  
77 ~~exemption from the prelicensing course shall no longer be~~  
78 ~~applicable.~~

79 ~~(4)~~ (3) The individual has successfully passed the  
80 examination for the lines of authority for which the  
81 individual has applied, except that no examination shall be  
82 required of an applicant as follows:

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



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85           b. All applicants for a license to transact the  
86 variable life and variable annuity products line of authority.

87           c. All producers lawfully licensed as such for a  
88 particular line of authority immediately prior to January 1,  
89 2013, are exempt from the requirements of this subdivision for  
90 that line of authority unless, after January 1, 2013, the  
91 license is permitted to expire or is otherwise terminated and  
92 remains out of effect for a period of 12 consecutive months,  
93 in which case the exemption from examination shall no longer  
94 be applicable.

95           d. All service representatives.

96           ~~(5)~~ (4) The individual has paid the fees set forth in  
97 Section 27-4-2.

98           ~~(6)~~ (b) All producers seeking to be licensed for or  
99 holding the variable life and variable annuity product line of  
100 authority must also hold the life line of authority as an  
101 insurance producer and must also successfully complete the  
102 appropriate securities examinations and be registered under  
103 applicable federal and state securities laws.

104           ~~(b)~~ (c) A business entity acting as an insurance  
105 producer is required to obtain an insurance producer license.  
106 Application shall be made using the Uniform Business Entity  
107 Application. Before approving the application, the  
108 commissioner shall find that the business entity has satisfied  
109 all of the following:

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



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113 (2) The business entity has paid the fees set forth in  
114 Section 27-4-2.

115 ~~(e)~~ (d) The commissioner may require any documents  
116 reasonably necessary to verify the information contained in an  
117 application.

118 ~~(d)~~ (e) Each insurer that sells, solicits, or negotiates  
119 any form of limited line credit insurance shall provide a  
120 program of instruction to each individual whose duties will  
121 include selling, soliciting, or negotiating limited line  
122 credit insurance ~~a program of instruction~~.

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

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

130 (3) If any service representative license expires and  
131 is not renewed for a period of 12 consecutive months, the  
132 license shall not be renewed by the commissioner or otherwise  
133 reactivated."

134 "§27-7-14.1

135 (a) Unless denied licensure pursuant to Section  
136 27-7-19, persons who have met the requirements of Sections  
137 27-7-4.3 and 27-7-5 shall be issued an insurance producer  
138 license. An insurance producer may receive qualification for a  
139 license in one or more of the following lines of authority:

140 (1) LIFE. Insurance coverage on human lives including



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141 benefits of endowment and annuities, and may include benefits  
142 in the event of death or dismemberment by accident and  
143 benefits for disability income.

144 (2) ACCIDENT AND HEALTH OR SICKNESS, commonly known as  
145 disability. Insurance coverage for sickness, bodily injury, or  
146 accidental death and may include benefits for disability  
147 income.

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

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

153 (5) VARIABLE LIFE and VARIABLE ANNUITY PRODUCTS.  
154 Insurance coverage provided under variable life insurance  
155 contracts and variable annuities.

156 (6) PERSONAL LINES. Property and casualty insurance  
157 coverage sold to individuals and families for primarily  
158 noncommercial purposes.

159 (7) CREDIT. Limited line credit insurance.

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

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

163 (10) CROP. Insurance providing protection against  
164 damage to crops from unfavorable weather conditions, fire, or  
165 lightning, flood, hail, insect infestation, disease or other  
166 yield-reducing conditions or peril provided by the private  
167 insurance market, or that is subsidized by the Federal Crop  
168 Insurance Corporation, including Multi-Peril Crop Insurance.



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169 (11) PORTABLE ELECTRONICS. As defined in Section  
170 27-22A-1.

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

172 (13) Any other line of insurance permitted under state  
173 laws or regulations.

174 ~~(b) Unless denied licensure pursuant to Section~~  
175 ~~27-7-19, persons who have met the requirements of Section~~  
176 ~~27-7-5 shall be issued a service representative license. A~~  
177 ~~service representative shall receive qualification for a~~  
178 ~~license in the following lines of authority:~~

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

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

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

190 ~~(d)~~ (c) An individual insurance producer who allows his  
191 or her license to lapse ~~may~~, within 12 months from the due  
192 date of the renewal fee, may reinstate the same license  
193 without the necessity of ~~completing the prelicensing course or~~  
194 passing a written examination; a service representative who  
195 allows his or her license to lapse ~~may~~, within 12 months from  
196 the due date of the renewal fee, may reinstate the same





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197 license ~~without the necessity of completing the prelicensing~~  
198 ~~course~~; however, a penalty in the amount of double the unpaid  
199 renewal fee shall be required for any renewal fee received  
200 after the due date.

201 ~~(e)~~ (d) A licensed insurance producer or service  
202 representative who is unable to comply with license renewal  
203 procedures due to military service or some other extenuating  
204 circumstance, e.g., a long-term medical disability, may  
205 request a waiver of those procedures. The producer or service  
206 representative may also request a waiver of any examination  
207 requirement or any other fine or sanction imposed for failure  
208 to comply with renewal procedures."

209 "§27-9A-6

210 (a) An individual applying for a resident independent  
211 adjuster license shall apply to the commissioner on the  
212 appropriate NAIC Uniform Individual Application and declare  
213 under penalty of suspension, revocation, or refusal of the  
214 license that the statements made in the application are true,  
215 correct, and complete to the best of the individual's  
216 knowledge and belief. Before approving the application, the  
217 commissioner shall find that the individual meets all of the  
218 following:

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

220 (2) Is eligible to designate this state as his or her  
221 home state.

222 (3) Has not committed any act that is a ground for  
223 probation, suspension, revocation, or refusal of an  
224 independent adjuster's license as set forth in Section



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225 27-9A-12.

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

228 ~~(5)~~ (4) Has successfully passed the examination for the  
229 line of authority for which the ~~person~~individual has applied.

230 ~~(6)~~ (5) Has paid the fees set forth in Section 27-4-2.

231 (b) The commissioner may contract with non-governmental  
232 entities, including the NAIC, to perform any ministerial  
233 functions, including the collection of fees and data, related  
234 to licensing that the commissioner may deem appropriate. The  
235 commissioner may require that license applications, license  
236 renewal applications, and supporting documentation be filed  
237 and all required fees and charges be paid electronically  
238 through systems operated or maintained by the non-governmental  
239 entities.

240 (c) No resident of another state or of the District of  
241 Columbia or of Canada may be licensed pursuant to this section  
242 or may designate Alabama as his or her home state unless the  
243 ~~person~~individual has successfully passed the independent  
244 adjuster examination and has otherwise complied with the other  
245 applicable portions of this section.

246 (d) A business entity applying for a resident  
247 independent adjuster license shall apply to the commissioner  
248 on the appropriate NAIC Uniform Business Entity Application  
249 and declare under penalty of suspension, revocation, or  
250 refusal of the license that the statements made in the  
251 application are true, correct, and complete to the best of the  
252 business entity's knowledge and belief. Before approving the



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253 application, the commissioner shall find that the business  
254 entity meets all of the following:

255 (1) Is eligible to designate this state as its home  
256 state.

257 (2) As applicable, has qualified or registered with the  
258 office of the Secretary of State to engage in business in this  
259 state.

260 (3) Has designated an individual independent adjuster  
261 licensed in this state as responsible for the business  
262 entity's compliance with this chapter and with the insurance  
263 laws and rules of this state.

264 (4) Has not committed an act that is a ground for  
265 probation, suspension, revocation, or refusal of an  
266 independent adjuster's license as set forth in Section  
267 27-9A-12.

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

269 (e) The commissioner may require any documents  
270 reasonably necessary to verify the information contained in  
271 the application."

272 "§27-9A-8

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

277 ~~(2) The prelicensing course shall have been completed~~  
278 ~~within 12 months before the date of the related examination as~~  
279 ~~shown on the certificate furnished by the prelicensing course~~  
280 ~~provider.~~

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281 ~~(3) Every prelicensing course provider shall apply~~  
282 ~~annually for the continued authority to issue certificates of~~  
283 ~~completion under rules to be prescribed by the commissioner.~~

284 ~~(4) At the time of initial approval and annually~~  
285 ~~thereafter, the commissioner shall collect from each~~  
286 ~~prelicensing course provider a fee set by the commissioner not~~  
287 ~~to exceed one hundred dollars (\$100). The fee shall be~~  
288 ~~deposited in the State Treasury to the credit of the Insurance~~  
289 ~~Department Fund. Public institutions shall be exempt from~~  
290 ~~paying the fee, but shall otherwise be subject to the rules~~  
291 ~~applicable to other providers.~~

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

295 ~~(2)~~ (b) The examination shall test the knowledge of the  
296 individual concerning the lines of authority for which  
297 application is made, the duties and responsibilities of an  
298 independent adjuster, and the insurance laws and  
299 ~~regulations~~ rules of this state. Examinations required by this  
300 section shall be developed and conducted under rules  
301 prescribed by the commissioner.

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

307 ~~(4)~~ (d) The commissioner may make arrangements,  
308 including contracting with an outside testing service, for



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309 administering examinations and collecting the nonrefundable  
310 fee set forth in Section 27-4-2.

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

315 ~~(6)~~ (f) No individual who has taken and failed to pass  
316 two examinations given pursuant to this section for a  
317 particular line of insurance shall be entitled to take any  
318 further examination for that line of insurance until after the  
319 expiration of three months from the date of the last  
320 examination which the individual failed to pass. If the  
321 individual fails to pass the examination after two more  
322 attempts, the individual shall not be eligible to take any  
323 further examination for that line of insurance until after the  
324 expiration of six months from the date of the last  
325 unsuccessful examination. An examination fee shall be paid for  
326 each ~~and every~~ examination."

327 "§27-9A-9

328 (a) An individual applicant for an independent adjuster  
329 license in this state shall not be required to complete ~~any~~  
330 ~~prelicensing course or an~~ examination if the person is  
331 currently licensed in another state for the same line or lines  
332 of authority based on an independent adjuster examination or  
333 if such state license has expired and the application is  
334 received by this state within 90 days of expiration. The  
335 applicant shall either provide certification from the other  
336 state that the applicant's license is currently in good



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337 standing or was in good standing at the time of expiration or  
338 the state's producer database records maintained by the NAIC  
339 must indicate that the applicant is or was licensed in good  
340 standing. The certification must be of a license with the same  
341 line of authority for which the individual has applied.

342 (b) ~~A person~~An individual licensed as an independent  
343 adjuster in another state based on an independent adjuster  
344 examination who, within 90 days of establishing legal  
345 residency in this state, applies to become a resident  
346 independent adjuster licensee pursuant to Section 27-9A-6  
347 shall not be required to complete ~~a prelicensing course or~~ an  
348 examination.

349 (c) An individual who applies for an independent  
350 adjuster license in this state who was previously licensed as  
351 an independent adjuster in this state shall not be required to  
352 complete ~~a prelicensing course or~~an examination, but this  
353 exemption is only available if the application is received  
354 within 12 months of the cancellation of the applicant's  
355 previous license in this state and if, at the time of  
356 cancellation, the applicant was in good standing in this  
357 state.

358 (d) An individual applicant for an independent adjuster  
359 license in this state shall not be required to complete ~~a~~  
360 ~~prelicensing course or~~an examination if the applicant was  
361 previously employed for a minimum of 20 years as an adjuster  
362 in this state by an insurance company licensed in this state  
363 and the applicant submits his or her application within 12  
364 months of leaving the employment of the company. The insurance

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365 company, upon request, shall certify to the department the  
366 time period that the applicant was employed by the insurance  
367 company.

368 ~~(e) An individual applicant for an independent adjuster~~  
369 ~~license in this state shall not be required to complete any~~  
370 ~~prelicensing course or examination if the applicant holds a~~  
371 ~~certification from a person or entity approved by the~~  
372 ~~commissioner that provides adjuster education and training and~~  
373 ~~that requires, as a prerequisite to certification, an~~  
374 ~~examination substantially equivalent to that of this state.~~  
375 ~~The applicant shall provide evidence of current~~  
376 ~~certification."~~

377 "§27-9A-11

378 (a) The apprentice independent adjuster license is a  
379 temporary license for an individual residing in this state who  
380 is qualified for an independent adjuster license except ~~as to~~  
381 ~~having taken and passed~~ for taking and passing the  
382 ~~prelicensing course and~~ examination for independent adjuster.

383 (b) An individual applying for an apprentice  
384 independent adjuster license shall apply to the commissioner  
385 on the appropriate NAIC Uniform Individual Application and  
386 declare under penalty of suspension, revocation, or refusal of  
387 the license that the statements made in the application are  
388 true, correct, and complete to the best of the individual's  
389 knowledge and belief. Before approving the application, the  
390 commissioner shall find that the individual meets all of the  
391 following:

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



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393 (2) Is a resident of this state.

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

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

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

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

402 (1) Accompanying the apprentice adjuster application  
403 shall be an attestation from an independent adjuster licensed  
404 in this state with the same lines of authority for which the  
405 apprentice has applied certifying that the apprentice will be  
406 subject to training, direction, and control by the licensed  
407 independent adjuster and further certifying that the licensed  
408 independent adjuster assumes responsibility for the actions of  
409 the apprentice in the apprentice's capacity as an independent  
410 adjuster. A licensed independent adjuster shall not supervise  
411 more than five active apprentice adjuster licensees at any  
412 given time.

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

415 (3) The apprentice licensee is restricted to  
416 participation in the adjusting of claims subject to the review  
417 and final determination of the claim by the supervising  
418 licensed independent adjuster.

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





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421 (5) At any time during the period of the license the  
422 apprentice independent adjuster may ~~complete the prelicensing~~  
423 ~~course and~~ take the examination required by Section 27-9A-8.  
424 If the apprentice independent adjuster successfully completes  
425 the independent adjuster examination, the apprentice  
426 independent adjuster license shall automatically terminate and  
427 an independent adjuster license shall be issued in place  
428 thereof.

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

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

437 "§27-25-4.1

438 (a) The commissioner may contract with non-governmental  
439 entities, including NAIC, to perform any ministerial  
440 functions, including the collection of fees and data, related  
441 to licensing that the commissioner may deem appropriate. The  
442 commissioner may require that license applications, license  
443 renewal applications, notices of appointments and appointment  
444 terminations, and supporting documentation be filed and all  
445 required fees and charges be paid electronically through  
446 systems operated or maintained by the non-governmental  
447 entities.

448 (b) An individual applying for a title insurance agent



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449 license shall apply to the commissioner on the appropriate  
450 NAIC Uniform Individual Application and declare under penalty  
451 of suspension, revocation, or refusal of the license that the  
452 statements made in the application are true, correct, and  
453 complete to the best of the individual's knowledge and belief.  
454 Before approving the application, the commissioner shall find  
455 that the individual meets all of the following:

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

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

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

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

466 ~~(5)~~ (4) Has successfully passed the examination for  
467 title insurance as required in Section 27-25-4.3.

468 ~~(6)~~ (5) Has paid the fees set forth in Section  
469 27-25-4.7.

470 (c) A business entity applying for a title insurance  
471 agent license shall apply to the commissioner on the  
472 appropriate NAIC Uniform Business Entity Application and  
473 declare under penalty of suspension, revocation, or refusal of  
474 the license that the statements made in the application are  
475 true, correct, and complete to the best of the business  
476 entity's knowledge and belief. Before approving the



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477 application, the commissioner shall find that the business  
478 entity meets all of the following:

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

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

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

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

490 (d) The commissioner may require any documents  
491 reasonably necessary to verify the information contained in  
492 the application."

493 "§27-25-4.3

494 ~~(a) (1) Every individual subject to the examination~~  
495 ~~required in subsection (b) shall first complete a prelicensing~~  
496 ~~course consisting of 20 classroom hours or equivalent~~  
497 ~~individual instruction on the general principles of title~~  
498 ~~insurance, the duties and responsibilities of a title~~  
499 ~~insurance agent, and the title insurance laws and regulations~~  
500 ~~of this state. The course shall be taught only by those~~  
501 ~~educational institutions, title insurers, or title insurance~~  
502 ~~trade organizations which hold written authority from the~~  
503 ~~commissioner.~~

504 ~~(2) The prelicensing course must have been completed~~



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505 ~~within 12 months before the date of the examination as shown~~  
506 ~~on the certificate furnished by the prelicensing course~~  
507 ~~provider.~~

508 ~~(3) Every prelicensing course provider shall apply~~  
509 ~~annually for the continued authority to issue certificates of~~  
510 ~~completion under rules and regulations to be prescribed by the~~  
511 ~~commissioner.~~

512 ~~(4) At the time of initial approval and annually~~  
513 ~~thereafter, the commissioner shall collect from each~~  
514 ~~prelicensing course provider the fee set forth in Section~~  
515 ~~27-25-4.7. Public institutions shall be exempt from paying the~~  
516 ~~fee but shall otherwise be subject to the rules and~~  
517 ~~regulations applicable to other providers.~~

518 ~~(b) (1)~~ (a) (1) An individual intending to apply for a  
519 title insurance agent license shall first pass a written  
520 examination unless exempt pursuant to subsection ~~(e)~~ (b).

521 (2) The examination shall test the knowledge of the  
522 individual concerning title insurance, the duties and  
523 responsibilities of a title insurance agent, and the insurance  
524 laws of this state. Examinations required by this section  
525 shall be developed and conducted under rules prescribed by the  
526 commissioner.

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

531 (4) The commissioner may make arrangements, including  
532 contracting with an outside testing service, for administering



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533 examinations and collecting the nonrefundable fee prescribed  
534 by the commissioner, in which case the fees approved by the  
535 commissioner for the examinations may be paid directly to the  
536 outside testing service, and the fee shall be in lieu of, but  
537 not in excess of, the fees for the examination set forth in  
538 Section 27-25-4.7.

539 (5) An individual who fails to appear for the  
540 examination as scheduled or fails to pass the examination  
541 shall reapply for an examination and remit all required fees  
542 and forms before being rescheduled for another examination.

543 (6) No individual who has taken and failed to pass two  
544 examinations given pursuant to this section shall be entitled  
545 to take any further title insurance agent examinations until  
546 after the expiration of three months from the date of the last  
547 examination which the individual failed to pass. If the  
548 individual thereafter fails to pass the examination after two  
549 more attempts, the individual shall not be eligible to take  
550 any further title insurance agent examinations until after the  
551 expiration of six months from the date of the last  
552 unsuccessful examination. An examination fee shall be paid for  
553 each ~~and every~~ examination.

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

556 (1) If, within 90 days after January 1, 2013, the  
557 applicant can establish to the satisfaction of the  
558 commissioner that for a period of at least five years  
559 preceding January 1, 2013, the applicant has been an  
560 authorized signatory to commitments, title insurance policies,



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561 and endorsements to title insurance policies issued by the  
562 title insurance agent on behalf of a title insurer properly  
563 authorized to conduct the business of title insurance in this  
564 state.

565 (2) If the individual was previously licensed as a  
566 title insurance agent in this state after having passed the  
567 examination required by subsection ~~(b)~~ (a) or being exempt from  
568 the examination under subdivision (1), this exemption is  
569 available only if the application is received within 12 months  
570 of the cancellation of the applicant's previous license in  
571 this state and if, at the time of cancellation, the applicant  
572 was in good standing in this state."

573 Section 2. This act shall become effective on January  
574 1, 2024, following its passage and approval by the Governor,  
575 or its otherwise becoming law.



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Speaker of the House of Representatives

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President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 04-Apr-23.

John Treadwell  
Clerk

Senate

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**27-Apr-23**

Passed