

SENATE BILL No. 449

By Committee on Financial Institutions and Insurance

2-8

1 AN ACT concerning insurance; relating to producer licensing
2 requirements; providing for an exemption from continuing education
3 requirements for certain individuals; amending K.S.A. 40-4903 and 40-
4 5512 and repealing the existing sections.

5
6 *Be it enacted by the Legislature of the State of Kansas:*

7 Section 1. K.S.A. 40-4903 is hereby amended to read as follows: 40-
8 4903. (a) Unless denied licensure pursuant to K.S.A. 40-4909, and
9 amendments thereto, any person who meets the requirements of K.S.A.
10 40-4905, and amendments thereto, shall be issued an insurance agent
11 license. An insurance agent may receive qualifications for a license in one
12 or more of the following lines of authority:

13 (1) Life: Insurance coverage on human lives including benefits of
14 endowment and annuities, and may include benefits in the event of death
15 or dismemberment by accident and benefits for disability income.

16 (2) Accident and health or sickness: Insurance coverage for sickness,
17 bodily injury or accidental death and may include benefits for disability
18 income.

19 (3) Property: Insurance coverage for the direct or consequential loss
20 or damage to property of every kind.

21 (4) Casualty: Insurance coverage against legal liability, including that
22 for death, injury or disability or damage to real or personal property.

23 (5) Variable life and variable annuity products: Insurance coverage
24 provided under variable life insurance contracts, variable annuities or any
25 other life insurance or annuity product that reflects the investment
26 experience of a separate account.

27 (6) Personal lines: Property and casualty insurance coverage sold
28 primarily to an individual or family for noncommercial purposes.

29 (7) Credit: Limited line credit insurance.

30 (8) Crop insurance: Limited line insurance for damage to crops from
31 unfavorable weather conditions, fire, lightning, flood, hail, insect
32 infestation, disease or other yield-reducing conditions or any other peril
33 subsidized by the federal crop insurance corporation, including multi-peril
34 crop insurance.

35 (9) Title insurance: Limited line insurance that insures titles to
36 property against loss by reason of defective titles or encumbrances.

1 (10) Travel insurance: Limited line insurance for personal risks
2 incidental to planned travel, including, but not limited to:
3 (A) Interruption or cancellation of trip or event;
4 (B) loss of baggage or personal effects;
5 (C) damages to accommodations or rental vehicles; or
6 (D) sickness, accident, disability or death occurring during travel.
7 Travel insurance does not include major medical plans that provide
8 comprehensive medical protection for travelers with trips lasting six
9 months or longer, for example, persons working overseas including
10 military personnel deployed overseas.

11 (11) Pre-need funeral insurance: Limited line insurance that allows
12 for the purchase of a life insurance or annuity contract by or on behalf of
13 the insured solely to fund a pre-need contract or arrangement with a
14 funeral home for specific services.

15 (12) Bail bond insurance: Limited line insurance that provides surety
16 for a monetary guarantee that an individual released from jail will be
17 present in court at an appointed time.

18 (13) Self-service storage unit insurance: Limited line insurance
19 relating to the rental of self-service storage units, including:

20 (A) Personal effects insurance that provides coverage to renters of
21 storage units at the same facility for the loss of, or damage to, personal
22 effects that occurs at the same facility during the rental period; and

23 (B) any other coverage that the commissioner may approve as
24 meaningful and appropriate in connection with the rental of storage units.
25 Such insurance may only be issued in accordance with K.S.A. 40-241, and
26 amendments thereto.

27 (14) Any other line of insurance permitted under the provisions of
28 chapter 40 of the Kansas Statutes Annotated, and amendments thereto, and
29 any rules and regulations promulgated thereunder.

30 (b) Unless suspended, revoked or refused renewal pursuant to K.S.A.
31 40-4909, and amendments thereto, an insurance agent license shall remain
32 in effect as long as:

33 (1) Education requirements for resident individual agents are met by
34 such insurance agent's biennial due date;

35 (2) such insurance agent submits an application for renewal on a form
36 prescribed by the commissioner; and

37 (3) on and after January 1, 2022, such insurance agent pays a biennial
38 renewal application fee of \$4.

39 (c) (1) (A) On and after July 1, 2001, through December 31, 2021,
40 each licensed insurance agent who is an individual and holds a property or
41 casualty qualification, or both, or a personal lines qualification shall
42 biennially obtain a minimum of 12 C.E.C.s in courses certified as property
43 and casualty that includes at least one hour of instruction in insurance

1 ethics, and may include regulatory compliance.

2 (B) On and after January 1, 2022, except as provided in paragraphs
3 (3) through (6), each licensed insurance agent shall biennially obtain a
4 minimum of 18 C.E.C.s that include at least three hours of instruction in
5 insurance ethics that also may include regulatory compliance.

6 (2) On and after July 1, 2001, through December 31, 2021, each
7 licensed insurance agent who is an individual and holds a life, accident and
8 health, or variable contracts qualification, or any combination thereof,
9 shall biennially obtain a minimum of 12 C.E.C.s in courses certified as
10 life, accident and health, or variable contracts that include at least one hour
11 of instruction in insurance ethics and may include regulatory compliance.

12 (3) Each licensed insurance agent who is an individual and holds only
13 a crop qualification shall biennially obtain a minimum of two C.E.C.s in
14 courses certified as crop C.E.C.s under the property and casualty category.

15 (4) Each licensed insurance agent who is an individual and is licensed
16 only for title insurance shall biennially obtain a minimum of four C.E.C.s
17 in courses certified by the board of abstract examiners as title C.E.C.s
18 under the property and casualty category.

19 (5) Each licensed insurance agent who is an individual and holds a
20 life insurance license solely for the purpose of selling pre-need funeral
21 insurance or annuity products shall file a report on or before such agent's
22 biennial due date affirming that such agent transacted no other insurance
23 business during the period covered by the report and shall provide
24 certification from an officer of each insurance company that has appointed
25 such agent that the agent transacted no other insurance business during the
26 period covered by the report. Agents who have offered to sell or sold only
27 pre-need funeral insurance are exempt from the requirement to obtain
28 C.E.C.s.

29 (6) Each licensed insurance agent who is an individual and holds only
30 a bail bond, self-service storage unit or travel insurance qualification is
31 exempt from the requirement to obtain C.E.C.s.

32 (7) (A) A licensed insurance agent who is a member of the national
33 guard or any reserve component of the armed services of the United States
34 who serves on active duty for at least 90 consecutive days shall be exempt
35 from the requirement to obtain C.E.C.s during the time that such insurance
36 agent is on active duty.

37 (B) The commissioner shall grant an extension to any licensed
38 insurance agent described in subparagraph (A) until the biennial due date
39 that occurs in the year next succeeding the year in which such active duty
40 ceases.

41 (8) *An insurance agent who has been continuously licensed for not*
42 *less than 25 years and who is not less than 50 years of age shall be exempt*
43 *from any requirement to obtain C.E.C.s.*

1 (d) An instructor of an approved subject shall be entitled to the same
2 C.E.C. as a student completing the study.

3 (e) (1) An individual insurance agent who has been licensed for more
4 than one year, on or before such insurance agent's biennial due date, shall
5 file a report with the commissioner certifying that such insurance agent has
6 met the continuing education requirements for the previous biennium
7 ending on such insurance agent's biennial due date. Each individual
8 insurance agent shall maintain a record of all courses attended together
9 with a certificate of attendance for the remainder of the biennium in which
10 the courses were attended and the entire next succeeding biennium.

11 (2) If the required report showing proof of continuing education
12 completion is not received by the commissioner by the individual
13 insurance agent's biennial due date, such individual insurance agent's
14 qualification and each and every corresponding license shall be suspended
15 automatically for a period of 90 calendar days or until such time as the
16 producer satisfactorily demonstrates completion of the continuing
17 education requirement whichever is sooner. In addition, the commissioner
18 shall assess a penalty of \$100 for each license suspended. If such insurance
19 agent fails to furnish to the commissioner the required proof of continuing
20 education completion and the monetary penalty within 90 calendar days of
21 such insurance agent's biennial due date, such individual insurance agent's
22 qualification and each and every corresponding license shall expire on
23 such insurance agent's biennial due date. If after more than three but less
24 than 12 months from the date the license expired, the insurance agent
25 wants to reinstate such insurance agent's license, such individual shall
26 provide the required proof of continuing education completion and pay a
27 reinstatement fee in the amount of \$100 for each license suspended. If
28 after more than 12 months from the date an insurance agent's license has
29 expired, such insurance agent wants to reinstate such insurance agent's
30 license, such individual shall apply for an insurance agent's license,
31 provide the required proof of continuing education completion and pay a
32 reinstatement fee in the amount of \$100 for each license suspended. Upon
33 receipt of a written application from such insurance agent claiming
34 extreme hardship, the commissioner may waive any penalty imposed
35 under this subsection.

36 (3) On and after the effective date of this act, any applicant for an
37 individual insurance agent's license who previously held a license that
38 expires on or after June 30, 2001, because of failure to meet continuing
39 education requirements and who seeks to be relicensed shall provide
40 evidence that appropriate C.E.C.s have been completed for the prior
41 biennium.

42 (4) Upon receipt of a written application from an individual insurance
43 agent, the commissioner, in cases involving medical hardship or military

1 service, may extend the time within which to fulfill the minimum
2 continuing educational requirements for a period of not to exceed 180
3 days.

4 (5) This section shall not apply to any inactive insurance agent during
5 the period of such inactivity. For the purposes of this paragraph, "inactive
6 period" or "period of inactivity" means a continuous period of time of not
7 more than four years starting from the date inactive status is granted by the
8 commissioner. Before returning to active status, such inactive insurance
9 agent shall:

10 (A) File a report with the commissioner certifying that such agent has
11 met the continuing education requirement; and

12 (B) pay the renewal fee. If the required proof of continuing education
13 completion and the renewal fee is not furnished at the end of the inactive
14 period, such individual insurance agent's qualification and each and every
15 corresponding license shall expire at the end of the period of inactivity. For
16 issuance of a new license, the individual shall apply for a license and pass
17 the required examination.

18 (6) Any individual who allows such individual's insurance agent
19 license in this state and all other states in which such individual is licensed
20 as an insurance agent to expire for a period of four or more consecutive
21 years, shall apply for a new insurance agent license and pass the required
22 examination.

23 (f) (1) Each course, program of study, or subject shall be submitted to
24 and certified by the commissioner in order to qualify for purposes of
25 continuing education.

26 (2) Each request for certification of any course, program of study or
27 subject shall contain the following information:

28 (A) The name of the provider or provider organization;

29 (B) the title of such course, program of study or subject;

30 (C) the date the course, program of study or subject will be offered;

31 (D) the location where the course, program of study or subject will be
32 offered;

33 (E) an outline of each course, program of study or subject including a
34 schedule of times when such material will be presented;

35 (F) the names and qualifications of instructors;

36 (G) the number of C.E.C.s requested;

37 (H) a nonrefundable C.E.C. qualification fee in the amount of \$50 per
38 course, program of study or subject or \$250 per year for all courses,
39 programs of study or subjects submitted by a specific provider or provider
40 organization; and

41 (I) a nonrefundable annual provider fee of \$100.

42 (3) Upon receipt of such information, the commissioner shall grant or
43 deny certification of any submitted course, program of study or subject as

1 an approved subject, program of study or course and indicate the number
2 of C.E.C.s that will be recognized for each approved course, program of
3 study or subject. Each approved course, program of study or subject shall
4 be assigned by the commissioner to one or both of the following classes:

5 (A) Property and casualty; or

6 (B) life insurance, including annuity and variable contracts, and
7 accident and health insurance.

8 (4) Each course, program of study or subject shall have a value of at
9 least one C.E.C.

10 (5) (A) Each provider seeking approval of a course, program of study
11 or subject for continuing education credit shall issue or cause to be issued
12 to each person who attends a course, program of study or subject offered
13 by such provider a certificate of attendance. The certificate shall be signed
14 by either the instructor who presents the course, program of study or
15 course or such provider's authorized representative. Each provider shall
16 maintain a list of all individuals who attend courses offered by such
17 provider for continuing education credit for the remainder of the biennium
18 in which the courses are offered and the entire next succeeding biennium.

19 (B) The commissioner shall accept, without substantive review, any
20 course, program of study or subject submitted by a provider that has been
21 approved by the insurance supervisory authority of any other state or
22 territory accredited by the NAIC. The commissioner may disapprove any
23 individual instructor or provider who has been the subject of disciplinary
24 proceedings or who has otherwise failed to comply with any other state's
25 or territory's laws or regulations.

26 (6) The commissioner may grant or approve any specific course,
27 program of study or course that has appropriate merit, such as any course,
28 programs of study or course with broad national or regional recognition,
29 without receiving any request for certification. The fee prescribed by
30 subsection (f)(2) shall not apply to any approval granted pursuant to this
31 provision.

32 (7) The C.E.C. value assigned to any course, program of study or
33 subject, other than a correspondence course, computer based training,
34 interactive internet study training or other course pursued by independent
35 study, shall in no way be contingent upon passage or satisfactory
36 completion of any examination given in connection with such course,
37 program of study or subject. The commissioner shall establish, by rules
38 and regulations criteria for determining acceptability of any method used
39 for verification of the completion of each stage of any computer based or
40 interactive internet study training. Completion of any computer based
41 training or interactive internet study training shall be verified in
42 accordance with a method approved by the commissioner.

43 (g) Upon request, the commissioner shall provide a list of all

1 approved continuing education courses currently available to the public.

2 (h) An individual insurance agent who independently studies an
3 insurance course, program of study or subject that is not an agent's
4 examination approved by the commissioner shall receive credit for the
5 C.E.C.s assigned by the commissioner as recognition for the approved
6 subject. No other credit shall be given for independent study.

7 (i) Any licensed individual insurance agent who is unable to comply
8 with license renewal procedures due to military service or some other
9 extenuating circumstances may request a waiver of those procedures from
10 the commissioner. Such agent may also request from the commissioner a
11 waiver of any examination requirement or any other fine or sanction
12 imposed for failure to comply with renewal procedures.

13 Sec. 2. K.S.A. 40-5512 is hereby amended to read as follows: 40-
14 5512. (a) As used in this section:

15 (1) "Biennial due date" means the last day of the month of the date of
16 birth of any public adjuster who is required to complete continuing
17 education credits and report the completion of the continuing education
18 credits to the commissioner, except that such due date shall not be earlier
19 than two years from the date of the public adjuster's initial licensure under
20 this act.

21 (2) "Biennium" means, for any public adjuster who was born in an
22 odd-numbered year, the two-year period starting with the public adjuster's
23 biennial due date in 2011 and each two-year period thereafter. For any
24 public adjuster who was born in an even-numbered year, such term means
25 the two-year period starting with the public adjuster's biennial due date in
26 2012 and each two-year period thereafter.

27 (b) An individual, who holds a public adjuster license and who is not
28 exempt under subsection (d), shall satisfactorily complete a minimum of
29 18 hours of continuing education courses including three hours of ethics,
30 reported on a biennial basis in conjunction with the license renewal cycle.
31 Only continuing education courses approved by the commissioner shall be
32 used to satisfy the requirements of this subsection.

33 (c) Unless suspended, revoked or refused renewal pursuant to K.S.A.
34 40-5510, and amendments thereto, a public adjuster's license shall remain
35 in effect as long as the education requirements for a resident public
36 adjuster are met by such public adjuster's biennial due date.

37 (d) The continuing education requirements of this section shall not
38 apply to licensees:

39 (1) Holding nonresident public adjuster licenses who have met the
40 continuing education requirements of their home state and whose home
41 state gives credit to residents of this state on the same basis; *and*

42 (2) *who have been continuously licensed for not less than 25 years*
43 *and who are not less than 50 years of age.*

1 Sec. 3. K.S.A. 40-4903 and 40-5512 are hereby repealed.

2 Sec. 4. This act shall take effect and be in force from and after its
3 publication in the statute book.