

## BILL SUMMARY

- MEASURE:** SB 2122 (Committee Substitute)
- AUTHOR:** Representative Ron Peterson and Senator Sparks
- SUBJECT:** An act relating to insurance; creating the Crimes by or Affecting Persons Engaged in the Business of Insurance Act. Effective date. Emergency.
- PROVISIONS:**
- Section 1. NEW LAW Creating the Crimes By or Affecting Persons Engaged in the Business of Insurance Act.
- Section 2. NEW LAW Prohibiting felons from participating in the business of insurance.
- Section 3. NEW LAW Giving the Insurance Commissioner powers to punish any person who violates above section.
- Section 4. NEW LAW Outlines acts that constitute the business of insurance.
- Section 5. NEW LAW Outlining how the Insurance Commissioner shall cease illegal insurance business operations.
- Section 6. NEW LAW Authorizing the Insurance Commissioner to promulgate rules for this act.
- Section 7. AMENDATORY F. Amending what information is available to the public so that filings made by advisory organizations will be public upon receipt of the rate, loss cost, or manual rule change.
- Section 8. AMENDATORY B. Allowing penalty for selling surplus insurance lines without appropriate license to be waived if the Insurance Commissioner receives an application for license within 30 days.
- Section 9. AMENDATORY B. 8. Adding that a license for an insurance producer is not required of a volunteer counselor assisting Medicare beneficiaries.
- Section 10. AMENDATORY B. 5. Eliminating requirement that an applicant for an insurance producer license must provide proof that a trade name has been registered for.

Section 11. AMENDATORY Eliminating required fee or application from a nonresident producer.

Section 12. AMENDATORY Consolidates the categories necessary for a limited lines producer to be qualified for a license for uniformity in statute, thereby expanding definition of crop insurance, adding definitions for car rental, credit, surety, and travel insurance.

Section 13. AMENDATORY Reduces the fee for Insurance producer's provisional license from \$40 to \$20.

Section 14. AMENDATORY Requiring the Insurance Commissioner to approve provisional license pre-licensing education courses.

Section 15. AMENDATORY Clarifying and updating Third Party Administrator Act language with current, model law provisions.

Section 16. AMENDATORY B. Specifying qualifications for a nonresident administrator license. Defining terms.

Section 17. AMENDATORY Changing section to outline powers and duties of receiver with provisions of the Insurance Receivers Model Act.

Section 18. NEW LAW Outlining when a receiver shall commence an action.

Section 19. AMENDATORY Clarifying definition of long-term care insurance in the Long-Term Care Insurance Act, adding long-term care partnership to the definition.

Section 20. AMENDATORY Establishing duration requirement of 12 months for a qualified association for group health insurance policies.

Section 21. AMENDATORY Updating statutory references for title insurance..

Section 22. AMENDATORY D. Adding new subsection requiring title insurers to file annual financial statements and biographical information, to comply with the Unfair Claims Settlement Practices Act, the Supervision and Conservatorship of Insurers Act and comply with other laws and rules.

Section 23. AMENDATORY Updating terms by deleting routine low-dose and low-dose mammography.

Section 24. AMENDATORY Requiring applicant to take and pass exam within 6 months of applying and outlining procedure for second attempt at passing examination for an adjuster.

Section 25. AMENDATORY F. Duplicates language from agents' continuing education section of law in adjusters' continuing education section, requiring fees for those offering continuing education.

Section 26. AMENDATORY Expanding the definition of insolvent as used in the Service Warranty Insurance Act.

Section 27. AMENDATORY Changes the filing date from June 1 to November 1 for service warranty companies.

Section 28. AMENDATORY A. Changes the filing date from last day in February to May 1 for service warranty companies to file annual statements of premiums and assessments and other financial information.

Section 29. AMENDATORY A. 1. If a bondsman surrenders his/her license, requiring the Insurance Department to cancel all appointments of the bondman and notify any bail agent affected as well as the court clerk of the agent's county of residence.

Section 30. AMENDATORY A. Requiring appointments by surety to expire when a bondman's license expires or is cancelled by the Insurance Commissioner.

Section 31. AMENDATORY A. 6. Extends the deadline for the implementation of the DPS online insurance verification system from July 1 of this year to December 31.

Section 32. REPEALER Repealing sections of law pertaining to surplus insurance broker's license applicants, agency license requirements, termination of appointments by an insurer, representation of insurers, and commission payments to insurance agents.

**EFFECTIVE**

**DATE:** July 1, 2008, Emergency clause

**PREPARED BY:** Arnella Karges

**DATE:** April 14, 2008