



# Senate

General Assembly

**File No. 71**

February Session, 2002

Senate Bill No. 353

*Senate, March 19, 2002*

The Committee on Insurance and Real Estate reported through SEN. BOZEK of the 6th Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

## **AN ACT CONCERNING THE LICENSING OF INSURANCE PRODUCERS.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 5 of public act 01-113 is amended by adding  
2 subsections (e), (f) and (g) as follows (*Effective September 1, 2002*):

3 (NEW) (e) Each applicant for an insurance producer license shall,  
4 before being admitted to an examination under subsection (a) of this  
5 section, prove to the satisfaction of the commissioner that such  
6 applicant meets one of the following prerequisites: (1) That the  
7 applicant has successfully completed a course approved by the  
8 commissioner requiring not less than forty hours for each line of  
9 insurance for which the applicant is applying to be licensed; or (2) that  
10 such applicant has equivalent experience or training as determined by  
11 the commissioner.

12 (NEW) (f) The commissioner may waive the requirement for

13 examination for any applicant who, at any time within the year  
14 preceding the date of application for an insurance producer license,  
15 was licensed in this state under a license of the same type as the license  
16 applied for.

17 (NEW) (g) Notwithstanding any provision of chapter 702 of the  
18 general statutes or public act 01-113, no examination or prelicensing  
19 education shall be required of an applicant for a limited lines producer  
20 license.

21 Sec. 2. Subsection (a) of section 38a-769 of the general statutes, as  
22 amended by section 20 of public act 01-113, is repealed and the  
23 following is substituted in lieu thereof (*Effective September 1, 2002*):

24 (a) Any person, partnership, association or corporation, resident, or  
25 with its principal place of business in this state, or a nonresident of this  
26 state who is not licensed in any other state, desiring to act within this  
27 state as a public adjuster, casualty adjuster, motor vehicle physical  
28 damage appraiser, certified insurance consultant, surplus lines broker  
29 or desiring to engage in any insurance-related occupation for which a  
30 license is deemed necessary by the commissioner, other than an  
31 occupation as an insurance producer, shall make a written application  
32 to the commissioner for a resident license. Any other person,  
33 partnership, association or corporation desiring to so act or to engage  
34 in any insurance-related occupation for which a license is deemed  
35 necessary by the commissioner, other than an occupation as an  
36 insurance producer, shall make a written application to the  
37 commissioner for a nonresident license. No application for a  
38 nonresident license shall be granted unless the applicant holds an  
39 equivalent license from any other state. Any application for a resident  
40 or nonresident license shall be made for each name or designation  
41 under which such business shall be conducted, in such form as the  
42 commissioner prescribes, stating the line or lines of insurance for  
43 which the applicant desires such license and any other business which  
44 the applicant desires also to transact. All initial applications shall be  
45 accompanied by a nonrefundable filing fee specified in section 38a-11.

46 The commissioner shall cause to be made such inquiry and  
47 examination as to the qualifications of each such applicant as the  
48 commissioner deems necessary.

49 Sec. 3. Section 38a-770 of the general statutes, as amended by section  
50 26 of public act 01-113, is repealed and the following is substituted in  
51 lieu thereof (*Effective September 1, 2002*):

52 Whenever the Insurance Commissioner receives an application for  
53 an initial license or license renewal, pursuant to the requirements of  
54 sections 38a-703 to 38a-718, inclusive, as amended, 38a-731 to 38a-735,  
55 inclusive, 38a-741 to 38a-745, inclusive, as amended, 38a-769, as  
56 amended by this act, 38a-771 to 38a-777, inclusive, as amended, section  
57 10 of [this act] public act 01-113, as amended, 38a-786, 38a-790, 38a-792  
58 and 38a-794, which is not accompanied by the required fees, the  
59 commissioner shall return such application together with all  
60 accompanying fees, unless the commissioner, at the commissioner's  
61 discretion, chooses to invoice any such fees not submitted with the  
62 initial or renewal applications. Whenever the Insurance Commissioner  
63 receives an application accompanied by the required fees accepted by  
64 the commissioner, all examination and filing fees are deemed earned.

This act shall take effect as follows:	
Section 1	<i>September 1, 2002</i>
Sec. 2	<i>September 1, 2002</i>
Sec. 3	<i>September 1, 2002</i>

**INS**      *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

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**OFA Fiscal Note**

**State Impact:**

Fund-Type	Agency Affected	Current FY \$	FY 03 \$	FY 04 \$
GF - Revenue Loss	Insurance Dept.	140	140	140

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill allows the insurance commissioner to waive the requirement for an examination for an individual who was licensed in another state as an insurance producer and that license was the same type of license applied for in the state of Connecticut. It is estimated that less than 20 individuals apply for these licenses per year. The department gets \$7 for every exam administered by a private company. This would result in a loss of approximately \$140 annually.

**OLR Bill Analysis**

SB 353

**AN ACT CONCERNING THE LICENSING OF INSURANCE PRODUCERS****SUMMARY:**

This bill (1) requires applicants for an insurance producers license to satisfy certain pre-examination requirements, (2) reduces the time period that an insurance producer must have been licensed in this state before the insurance commissioner may waive the licensing examination from within two to within one year after making application for the license, (3) eliminates pre-licensing and examination requirements for limited lines producer license applicants, (4) exempts resident and non-resident applicants for an insurance producers license from the standard application requirement, and (5) permits the commissioner to bill applicants for the license application fee instead of returning a new or renewal application that was not accompanied by the required fee.

EFFECTIVE DATE: September 1, 2002

**PRE-EXAMINATION REQUIREMENTS**

The bill requires applicants for an insurance producer's license to satisfy one of two requirements before being admitted to the examination: (1) successful completion of at least 40 hours of approved courses for each line of insurance for which a license is being sought or (2) possession of equivalent experience or training as determined by the commissioner.

**INSURANCE PRODUCERS EXEMPTION**

The bill exempts applicants for a resident or non-resident insurance producers license from the standard written application requirement applicable to other insurance-related occupations (public and casualty adjusters, motor vehicle physical damage appraisers, certified insurance consultants, and surplus line brokers).

**BACKGROUND*****Licensing of Insurance Producers***

P.A. 01-113 requires resident and non-resident applicants for an insurance producers license to make application on the National Association of Insurance Commissioner's uniform application or uniform business application forms.

**COMMITTEE ACTION**

Insurance and Real Estate Committee

Joint Favorable Report  
Yea 17    Nay 0