

WORKING DRAFT

SENATE FILE NO. _____

Insurance producer licensing.

Sponsored by: Joint Corporations, Elections and Political
Subdivisions Interim Committee

A BILL

for

1 AN ACT relating to insurance; modifying renewal provisions
2 for insurance producer licensing; modifying fees
3 accordingly; specifying that licensing and related fees are
4 nonrefundable; repealing provision related to broker bonds;
5 providing for transition and implementation of new
6 licensing schedule and fees; modifying continuing education
7 provisions for insurance producers; clarifying licensing
8 provisions; making conforming amendments; and providing for
9 an effective date.

10

11 *Be It Enacted by the Legislature of the State of Wyoming:*

12

13 **Issue 1. Producer license renewals moved to biennial and**
14 **from a single date to date of birth.**

15 ***** Department COMMENTS *****

16 **Currently, all producer licenses are renewable on a single date,**
17 **March 31st. With approximately 23,353 individual licensees in**

1 Wyoming, this creates an overwhelming administrative burden on
2 the Insurance Department and causes the Licensing Section to fall
3 behind on other duties. By spreading the renewals over a two
4 year period, the Department will be able to provide better
5 service to licensees. This change also required adjustments to
6 continuing education and fee requirements. Some provisions in
7 26-4-101 are repealed because the license referred to is no
8 longer issued. The continuing education provisions were amended
9 to place the burden on the producer to prove he has met the
10 requirements before renewal is authorized.
11

12 **Section 1.** are amended to read:

13

14 **26-4-101. Fee schedule.**

15

16 (a) The commissioner shall collect in advance or
17 contemporaneously fees, licenses and miscellaneous charges
18 as specified in this subsection. Collection may include the
19 acceptance of electronic funds transfer:

20

21 (v) Agents:

22

23 (A) Property, casualty, surety, and title
24 insurance agents; ~~and including disability insurance~~
25 ~~without additional license or fee when written by property,~~
26 ~~casualty or surety insurer otherwise represented by the~~
27 ~~agent:~~

28

1 (I) Application for original resident
 2 agent's license and issuance of license, if issued
 3 ~~\$50.00~~ \$100.00

4
 5 (V) License under waiver of residency
 6 requirement pursuant to a reciprocal agreement, application
 7 fee and issuance ~~\$75.00~~ \$150.00

8
 9 (VI) Annual continuation of license:
 10 Resident ~~\$50.00~~ \$100.00
 11 Nonresident ~~\$75.00~~ \$150.00

12
 13 (B) Life or disability insurance:

14
 15 (I) Application for original resident
 16 agent's license and issuance of license, if issued
 17 ~~\$50.00~~ \$100.00

18
 19 (V) License under waiver of residency
 20 requirement pursuant to a reciprocal agreement, application
 21 fee and issuance ~~\$75.00~~ \$150.00

22
 23 (VI) ~~Annual~~ Continuation of license:
 24 Resident ~~\$50.00~~ \$100.00

1 Nonresident ~~\$75.00~~ \$150.00

2

3 ~~(vi) Brokers:~~

4 ~~Application for original license, and~~
5 ~~issuance of license, if issued \$50.00~~

6 ~~Annual Continuation of license \$50.00~~

7

8 (viii) Surplus line brokers:

9 Application for original license, and issuance of
10 license, if issued ~~\$50.00~~ \$100.00

11 ~~Annual~~ Continuation of license ~~\$50.00~~ \$100.00

12

13 (ix) Adjusters:

14 Application for original license, and issuance of
15 license, if issued ~~\$50.00~~ \$100.00

16 ~~Annual~~ Continuation of license ~~\$50.00~~ \$100.00

17

18 ~~(x) Insurance vending machine license, each~~
19 ~~machine, each year \$ 10.00~~

20

21 (xi) Service representative:

22 Application for original license, and issuance,
23 if issued ~~\$50.00~~ \$100.00

24 ~~Annual~~ Continuation of license ~~\$50.00~~ \$100.00

1

2

(xii) Insurance consultant for hire:

3

Application for original license (nonreturnable)

4

\$ 20.00

5

Original license if issued ~~\$ 50.00~~

6

\$100.00

7

~~Annual~~ Continuation of license ~~\$ 50.00~~

8

\$100.00

9

10

(xiv) Limited license pursuant to W.S. 26-9-

11

209(c):

12

13

Application for original license and issuance of

14

license, if issued ~~\$10.00~~ \$20.00

15

~~Annual~~ Continuation of license ~~\$10.00~~ \$20.00

16

17

26-9-207. License.

18

19

(b) An individual insurance producer license shall

20

remain in effect unless revoked or suspended as long as on

21

or before ~~March 31,~~ the last day of the month of the

22

licensee's birthday in the second year following the

23

issuance or renewal of the license the ~~annual~~ continuation

24

fee set forth in W.S. 26-4-101(a) is paid, the continuing

1 education requirements for resident individual producers
2 are met by the due date and a written request for
3 continuation of the license is made to the commissioner on
4 forms prescribed by the commissioner.

5

6 (c) An individual insurance producer who allows his
7 license to lapse may, within twelve (12) months from the
8 due date of the ~~annual~~-continuation fee, reinstate the same
9 license without the necessity of passing a written
10 examination. However, a penalty equal to the amount of the
11 unpaid ~~annual~~-continuation fee shall be required in
12 addition to the unpaid fee for any ~~annual~~-continuation
13 request received after the due date.

14

15 (h) Each service representative, adjuster and surplus
16 line broker license issued under this code shall continue
17 in force until expired, suspended, revoked or otherwise
18 terminated, if the applicable continuation fee specified in
19 W.S. 26-4-101 is paid to the commissioner, ~~annually,~~ on or
20 before ~~March 31~~ the last day of the month of the licensee's
21 birthday in the second year following the issuance or
22 renewal of the license, accompanied by a written request
23 for continuation made as follows:

24

1 (j) Any license referred to in subsection (h) of this
2 section is considered expired if the commissioner does not
3 receive the fee and the request for continuation by
4 midnight on ~~March 31~~ its renewal date, except that any
5 holder of such a license who allows his license to lapse
6 may, within twelve (12) months from the due date of the
7 ~~annual~~ continuation fee, reinstate the same license without
8 the necessity of passing a written examination. However, a
9 penalty equal to the amount of the unpaid ~~annual~~
10 continuation fee shall be required in addition to the
11 unpaid fee for any ~~annual~~ continuation request received
12 after the due date.

13

14 **26-9-209. Exemption from examination.**

15

16 (c) No examination shall be required of persons
17 representing public carriers who, in the course of that
18 representation, solicit or sell insurance incidental to the
19 transportation of persons or to the storage or
20 transportation of property. Persons exempted from
21 examination pursuant to this subsection may be issued
22 ~~annually as of April 1~~, a limited insurance representative
23 license by the commissioner upon submission of an
24 application approved by the commissioner and payment of ~~an~~

1 ~~annual~~ the fee ~~of ten dollars (\$10.00)~~ specified in W.S.
2 26-4-101. A license issued under this subsection shall
3 continue in force until expired, suspended, revoked or
4 otherwise terminated, if the applicable continuation fee
5 specified in W.S. 26-4-101 is paid to the commissioner, on
6 or before the last day of the month of the licensee's
7 birthday in the second year following the issuance or
8 renewal of the license. Licensees under this subsection
9 shall be subject to the application requirements
10 established by the commissioner, the provisions of W.S. 26-
11 9-211 and chapter 13 of this code but shall not be subject
12 to the other provisions of this code.

13

14 **26-9-218. Service representatives.**

15

16 (d) The commissioner shall issue a service
17 representative license to qualified individuals meeting the
18 requirements of this section and this code. The license is
19 valid for no more than ~~twelve (12)~~ twenty-four (24) months
20 and may be renewed ~~annually~~ in the same manner as an
21 insurance producer's license.

22

23 **26-9-220. Insurance consultants.**

24

1 (c) The commissioner shall collect a nonreturnable
2 application fee, a fee for the license, if issued, and ~~an~~
3 ~~annual~~a renewal fee, as provided in W.S. 26-4-101. No
4 license is valid for longer than ~~twelve (12)~~twenty-four
5 (24) months. A license may be renewed ~~annually~~ in the same
6 manner as an insurance producer's license.

7

8 **26-9-221. Limited license.**

9

10 (c) The commissioner shall collect a nonrefundable
11 application fee, a fee for the license, if issued and ~~an~~
12 ~~annual~~a renewal fee as provided in W.S. 26-4-101. A
13 limited license is subject to the same license and
14 appointment renewal procedures as an insurance producer's
15 license.

16

17 **26-9-231. Continuing education.**

18

19 (a) Resident insurance producers, title agents
20 licensed pursuant to W.S. 26-23-318, service
21 representatives, adjusters, nonresident adjusters not
22 exempted under subsection (f) of this section, and other
23 resident persons required to be licensed under this chapter
24 shall ~~annually~~ complete ~~ten (10)~~twenty-four (24) classroom

1 hours of continuing education within each two (2) year
2 licensing period. Of the twenty-four (24) hours at least
3 three (3) shall relate to ethical requirements. ~~This~~
4 ~~requirement does~~ The requirements of this section do not
5 apply to nonresident insurance producers, those persons who
6 hold licenses for any kinds of insurance for which an
7 examination is not required, nor shall ~~it~~ they apply to any
8 such limited or restricted licenses as the commissioner may
9 exempt.

10
11 ~~(d) Persons licensed between January 1 and June 30 of~~
12 ~~any year shall complete ten (10) hours of continuing~~
13 ~~education for that year. Persons licensed between July 1~~
14 ~~and December 31 of any year shall complete five (5) hours~~
15 ~~of continuing education for that year.~~

16
17 (e) ~~Up to five (5) classroom hours may be carried~~
18 ~~forward to the next year.~~ For good cause shown, the
19 commissioner may grant an extension of up to one (1) year
20 to complete the required continuing education.

21
22 (g) The commissioner is authorized to assess every
23 person subject to this section ~~an annual~~ a fee of ~~fifteen~~
24 ~~dollars (\$15.00)~~ thirty dollars (\$30.00) in addition to the

1 ~~annual~~ license fee and payable at the time of license
2 renewal, for the support of continuing education. The
3 ~~annual~~ fee for support of continuing education shall be
4 deposited in the general fund.

5
6 (h) Any person failing to ~~meet~~ submit proof required
7 by rule of the commissioner of having met the requirements
8 of this section and who has not been granted an extension
9 of time within which to comply, ~~or who has submitted to the~~
10 ~~commissioner a false or fraudulent certificate of~~
11 ~~compliance~~ shall ~~after notice and opportunity for hearing,~~
12 ~~be subject to the suspension of all licenses issued~~ not
13 have his license renewed until the person demonstrates to
14 the satisfaction of the commissioner that he has complied
15 with all requirements of this section.

16
17 **26-23-318. Title agents; issuance of license;**
18 **expiration; renewal.**

19
20 (b) Each title agent's license expires ~~on March 1 of~~
21 each year on the last day of the month of the licensee's
22 birthday in the second year following the issuance or
23 renewal of the license, and may be renewed by the
24 commissioner upon filing by the licensee, prior to the

1 expiration of his license, of a properly completed renewal
2 application in the form the commissioner prescribes, and
3 upon payment of a renewal fee as provided by W.S. 26-4-101.

4
5 **26-46-102. License required.**

6
7 (c) The commissioner may:

8
9 (iii) Impose upon any person acting in the
10 capacity of a managing general agent under subsection (a)
11 or (b) of this section, ~~an annual~~ a biennial fee not to
12 exceed ~~fifty dollars (\$50.00)~~ one hundred dollars
13 (\$100.00). This fee shall be in addition to any other fees
14 required under this code.

15
16 **26-47-113. Fees; rules and regulations.**

17
18 (a) The commissioner may impose ~~an annual~~ a biennial
19 fee not to exceed ~~fifty dollars (\$50.00)~~ one hundred
20 dollars (\$100.00) upon any reinsurance intermediary subject
21 to the provisions of this article. The fee shall be in
22 addition to any other fees provided in this code.

23
24 **Issue 2. Broker bonds.**

1
2
3
4
5
6
7
8
9
10
11
12
13

*** Department COMMENTS ***
Delete W.S. 26-9-223 relating to broker bonds. This section was inadvertently left in the new producer licensing law when it was presented to the legislature in 2001. This section provides for a broker bond which is no longer necessary because the new licensing law passed in 2001 combined the agent and broker licenses into one producer license. A producer license allows an individual to act as both a broker and an agent. Broker bonds were rarely, if ever, forfeited and are now an unnecessary burden. Such bonds were not a part of the model law which forms the basis of the current law.

14

Section 2. W.S. 26-9-223 is repealed.

15

16

Issue 3. Making producer licensing fees nonrefundable.

17

*** Department COMMENTS ***
Amend W.S. 26-9-206 to make producer licensing fees nonrefundable. Previous licensing laws contained a provision that made licensing fees nonrefundable. This provision was inadvertently left out of the new law. The new law does make producer appointment fees nonrefundable, but not licensing fees. Licensing fees should be nonrefundable because the Department staff spends significant time reviewing an application regardless of whether a license is eventually issued or not. The state should be able to retain this fee for the time spent reviewing and processing an application.

28
29

30

*** STAFF COMMENTS ***
A few current provisions specifically mention nonrefundable fees. Rather than adding nonrefundable only to 26-9-206; it seems that the better course would be to simply make all licensing related fees nonrefundable. The Department's argument seems to carry over to all the fees listed. If you disagree let me know which should be refundable and we'll adjust the draft.

40

41

26-4-101. Fee schedule.

42

1 (a) The commissioner shall collect in advance or
 2 contemporaneously fees, licenses and miscellaneous charges
 3 as specified in this subsection. Collection may include the
 4 acceptance of electronic funds transfer. All fees and
 5 other charges collected by the commissioner as specified in
 6 this subsection shall be nonrefundable:

7

8 (xii) Insurance consultant for hire: Application	
9 for original license (nonreturnable)	\$ 20.00
10 Original license if issued	\$ 50.00
11 Annual continuation of license	\$ 50.00

12

13 **26-9-213. Appointments.**

14

15 (d) An insurer shall pay ~~a nonrefundable~~ an
 16 appointment fee, in the amount set forth in W.S. 26-4-
 17 101(a), for each insurance producer appointed by the
 18 insurer.

19

20 (e) An insurer shall remit, in a manner prescribed by
 21 the commissioner, an annual ~~nonrefundable~~ continuation
 22 appointment fee in the amount set forth in W.S. 26-4-
 23 101(a).

24

1 **26-9-220. Insurance consultants.**

2

3 (c) The commissioner shall collect ~~a nonreturnable~~ an
4 application fee, a fee for the license, if issued, and an
5 annual renewal fee, as provided in W.S. 26-4-101. No
6 license is valid for longer than twelve (12) months. A
7 license may be renewed annually in the same manner as an
8 insurance producer's license.

9

10 **26-9-221. Limited license.**

11

12 (c) The commissioner shall collect ~~a nonrefundable~~ an
13 application fee, a fee for the license, if issued and an
14 annual renewal fee as provided in W.S. 26-4-101. A limited
15 license is subject to the same license and appointment
16 renewal procedures as an insurance producer's license.

17

18 **26-23-317. Title agents; application for license.**

19

20 (a) Application for a license to act as a title agent
21 shall be made in writing in the form and manner the
22 commissioner prescribes. ~~A nonrefundable~~ An application
23 fee, as provided by W.S. 26-4-101, shall be paid at the
24 time of application.

1

Issue 4. Agent appointment continuation fee.***** Department COMMENTS *****

Amend W.S. 26-9-213(e) to indicate that the annual appointment continuation fee is due on March 31st of each year. Currently, the statute does not state a due date.

8

9

26-9-213. Appointments.

11

(e) An insurer shall remit, on or before March 31 and in a manner prescribed by the commissioner, an annual nonrefundable continuation appointment fee in the amount set forth in W.S. 26-4-101(a).

16

Issue 5. Revocation, etc. of licenses.

18

***** STAFF COMMENTS *****

The following amendment was noted by the Department after the Committee meeting, but appeared to be within the intent of the motion. It clarifies that all producer licenses are subject to provisions for revocation, suspension, etc.

25

26-9-211. License denial, nonrenewal or revocation.

27

(a) The commissioner may, after appropriate notice and opportunity for hearing pursuant to the Wyoming Administrative Procedure Act and in accordance with W.S. 26-2-125 through 26-2-129, place on probation, suspend,

31

1 revoke or refuse to issue or renew an insurance producer's
2 license or other license issued under this code, or may
3 levy a civil penalty in accordance with W.S. 26-1-107 or
4 any combination of actions, for any one (1) or more of the
5 following causes:

6
7 **Section 2.** (a) The insurance commissioner shall
8 implement the biannual licensing provided in this act
9 beginning with licenses issued or subject to renewal in the
10 2005 calendar year. License fees provided under W.S. 26-4-
11 101 prior to its amendment by this act shall apply to
12 licenses issued or renewed through December 31, 2004. On
13 and after January 1, 2005, license fees under W.S. 26-4-101
14 as amended by this act, shall be applicable. If this
15 implementation shortens the period for which the license
16 fee or continuation fee has been paid, no refund of the
17 unearned fee shall be made. If this implementation
18 lengthens the period for which the license fee or
19 continuation fee has been paid, no additional fee shall be
20 charged.

21
22 **Section 3.** Subject to section 2 of this act, this act
23 is effective July 1, 2004.

24

1

(END)