

SB 115 INTRODUCED BY GAGE, TVEIT, BOYLAN, ET AL.
REQUIRING CONTINUING EDUCATION FOR LIFE AND
DISABILITY INSURANCE AGENTS

1/16	INTRODUCED		
1/16	REFERRED TO BUSINESS & INDUSTRY		
1/19	SPONSORS ADDED		
1/21	HEARING		
1/22	FISCAL NOTE REQUESTED		
1/29	FISCAL NOTE RECEIVED		
2/10	STATEMENT OF INTENT ADOPTED		
2/10	COMMITTEE REPORT--BILL PASSED AS AMENDED		
2/13	2ND READING PASSED	50	0
2/16	3RD READING PASSED	50	0
	TRANSMITTED TO HOUSE		
2/18	REFERRED TO BUSINESS & LABOR		
3/06	HEARING		
3/06	TABLED IN COMMITTEE		

1 *Alvarez* BILL NO. 115
 2 INTRODUCED BY *Alvarez*
 3
 4 A BILL FOR AN ACT ENTITLED: "AN ACT REQUIRING A LIFE OR
 5 DISABILITY AGENT WHO CONTINUES HIS LICENSE TO FILE AN
 6 AFFIDAVIT STATING THAT HE HAS COMPLETED CONTINUING EDUCATION
 7 REQUIREMENTS; AMENDING SECTION 33-17-203, MCA; AND PROVIDING
 8 AN APPLICABILITY DATE."

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10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

11 Section 1. Section 33-17-203, MCA, is amended to read:

12 "33-17-203. General qualification for license as life
 13 or disability insurance agent. (1) For the protection of the
 14 people of this state, the commissioner may not issue,
 15 continue, or permit to exist any agent license as to life or
 16 disability insurance except in compliance with this chapter.

17 In addition, the individual must qualify as follows:

- 18 (1)(a) be 18 years of age or more;
- 19 (2)(b) be a resident in and of this state or of
 20 another state if by reciprocal arrangements made by the
 21 commissioner with such other state similar privileges
 22 therein are granted to residents of this state;
- 23 (3)(c) have been appointed as such an agent by an
 24 authorized insurer, subject to issuance of the license;
- 25 (4)(d) be competent, trustworthy, and of good

1 reputation;
 2 (5)(e) have had experience or training or be otherwise
 3 adequately qualified in the kind or kinds of insurance as to
 4 which he is to be licensed and be reasonably familiar with
 5 the provisions of this code governing his operations as such
 6 an agent and with the provisions of the policies and
 7 contracts he proposes to offer under the license;
 8 (6)(f) pass any written examination for the license
 9 required under this chapter;
 10 (7)(g) not use or intend to use the license
 11 principally for the writing of insurance on the lives or
 12 interests of himself or his relatives to the second degree;
 13 (8)(h) not be a funeral director, undertaker, or
 14 mortician operating in this state or an officer, employee,
 15 or representative thereof or hold an interest in such
 16 business.
 17 (2) A license as to life or disability insurance may
 18 not be continued unless the agent has filed with the
 19 commissioner, prior to May 1 each year, an affidavit stating
 20 that the agent has satisfied the continuing education
 21 requirement provided in [section 2]."
 22 NEW SECTION. Section 2. Continuing education for life
 23 and disability agents. (1) An insurer may not continue the
 24 appointment of a licensed life or disability insurance agent
 25 who has not completed at least 10 hours of continuing



1 education during the previous 12 months.

2 (2) The commissioner shall by rule require not less
3 than 10 or more than 20 hours of continuing education a year
4 for licensed life and disability insurance agents. The
5 commissioner's rules must provide for:

6 (a) approval of individuals or organizations offering
7 appropriate education in life and disability insurance;

8 (b) approval of specific courses offered by
9 individuals or organizations not approved under subsection
10 (2)(a);

11 (c) satisfaction of the requirement by a nonresident
12 agent who has met an equivalent continuing education
13 requirement in his state of residence;

14 (d) limited carryover privileges; and

15 (e) an additional renewal fee commensurate with costs.

16 NEW SECTION. Section 3. Codification instruction.
17 Section 2 is intended to be codified as an integral part of
18 Title 33, chapter 17, part 2, and the provisions of Title 33
19 apply to section 2.

20 NEW SECTION. Section 4. Applicability. This act
21 applies to an agent whose license is continued on or after
22 January 1, 1988.

-End-

STATE OF MONTANA - FISCAL NOTE

Form BD-15

In compliance with a written request, there is hereby submitted a Fiscal Note for SB115, as introduced.

DESCRIPTION OF PROPOSED LEGISLATION:

An act to require a Life or Disability Agent who renews his license to file an affidavit stating that he has completed Continuing Education requirements.

ASSUMPTIONS:

1. 2.5 additional FTE's needed to comply.
2. Additional staff would be needed for the '89 Biennium.
3. There are approximately 5,659 Life or Disability Agents licensed in Montana (State Auditors).
4. A fee will be charged to cover expenditures for this function.

FISCAL IMPACT:

	FY88			FY89		
	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>	<u>Current Law</u>	<u>Proposed Law</u>	<u>Difference</u>
<u>Expenditures from the Insurance Regulatory Account:</u>						
FTE	21	23.5	2.5	21	23.5	2.5
Personal Services	\$ 505,696	\$ 555,910	\$ 50,214	\$ 505,112	\$ 555,136	\$ 50,024
Operating Expenses	192,651	210,351	17,700	185,791	203,491	17,700
Equipment	4,056	6,856	2,800	288	288	0
TOTAL	\$ 702,403	\$ 773,117	\$ 70,714	\$ 691,191	\$ 758,915	\$ 67,724
<u>Revenues:</u>	\$2,131,405**	\$ 2,204,972	\$ 73,567	\$ 2,799,002**	\$ 2,875,422	\$ 76,420

**Includes estimated beginning cash on hand.

David L. Hunter DATE 1/31/87
 DAVID L. HUNTER, BUDGET DIRECTOR
 Office of Budget and Program Planning

Delwyn Gage DATE 2/2/87
 DELWYN GAGE, PRIMARY SPONSOR

Fiscal Note for SB115, as introduced.

SB-115

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

1 STATEMENT OF INTENT

2 SENATE BILL 115

3 Senate Business and Industry Committee

4
5 A statement of intent is required for this bill because
6 section 2 grants rulemaking authority to the commissioner of
7 insurance.

8 It is the intent of the legislature that the
9 commissioner of insurance adopt rules to ensure that life
10 and disability insurance agents complete appropriate courses
11 in life and health insurance as a condition of renewal of
12 their licenses. The rules of the Washington insurance
13 commissioner (Washington Administrative Code 284-17-200
14 through 284-17-320) express principles which, to the extent
15 that they cover life and health insurance, are consistent
16 with this legislative intent.

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2 INTRODUCED BY GAGE, TVEIT, BOYLAN, HOFMAN, JACOBSON,
3 WEEDING, KOLSTAD, KITSELMAN, GILBERT, THOMAS, PAVLOVICH,
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17 continue, or permit to exist any agent license as to life or
18 disability insurance except in compliance with this chapter.

19 In addition, the individual must qualify as follows:

20 (1)(a) be 18 years of age or more;

21 (1)(b) be a resident in and of this state or of
22 another state if by reciprocal arrangements made by the
23 commissioner with such other state similar privileges
24 therein are granted to residents of this state;

25 (1)(c) have been appointed as such an agent by an

1 authorized insurer, subject to issuance of the license;

2 (4)(d) be competent, trustworthy, and of good
3 reputation;

4 (5)(e) have had experience or training or be otherwise
5 adequately qualified in the kind or kinds of insurance as to
6 which he is to be licensed and be reasonably familiar with
7 the provisions of this code governing his operations as such
8 an agent and with the provisions of the policies and
9 contracts he proposes to offer under the license;

10 (6)(f) pass any written examination for the license
11 required under this chapter;

12 (7)(g) not use or intend to use the license
13 principally for the writing of insurance on the lives or
14 interests of himself or his relatives to the second degree;

15 (8)(h) not be a funeral director, undertaker, or
16 mortician operating in this state or an officer, employee,
17 or representative thereof or hold an interest in such
18 business.

19 (2) ~~A license as to life or disability insurance may~~
20 ~~not be continued unless the agent has filed with the A~~
21 LICENSEE AS TO LIFE OR DISABILITY INSURANCE SHALL COMPLETE
22 THE MINIMUM NUMBER OF HOURS OF CONTINUING EDUCATION AND FILE
23 WITH THE commissioner, prior to May 1 each year, an
24 affidavit stating that the agent has satisfied the
25 continuing education requirement provided in [section 2]."

1 NEW SECTION. Section 2. Continuing education for life
 2 and disability agents. (1) ~~An insurer may not continue the~~
 3 ~~appointment of a licensed life or disability insurance agent~~
 4 ~~who has not completed at least 10 hours of continuing~~ THE
 5 COMMISSIONER MAY DISCONTINUE THE LICENSE OF A LIFE OR
 6 DISABILITY INSURANCE AGENT WHO HAS NOT COMPLETED THE MINIMUM
 7 NUMBER OF HOURS OF CONTINUING education during the previous
 8 12 months AS REQUIRED BY RULE.

9 (2) The commissioner shall by rule require not less
 10 than 10 or more than 20 hours of continuing education a year
 11 for licensed life and disability insurance agents. The
 12 commissioner's rules must provide for:

13 (a) approval of individuals or organizations offering
 14 appropriate education in life and disability insurance;

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 19 agent who has met an equivalent continuing education
 20 requirement in his state of residence; AND

21 (d) limited carryover privileges; ~~and.~~

22 ~~(e) an additional renewal fee commensurate with costs.~~

23 (3) EACH LICENSED LIFE AND DISABILITY AGENT SHALL PAY
 24 TO THE COMMISSIONER AN ADDITIONAL ANNUAL FEE OF \$20 FOR
 25 ADMINISTRATION OF THE CONTINUING EDUCATION REQUIREMENT.

1 NEW SECTION. Section 3. Codification instruction.
 2 Section 2 is intended to be codified as an integral part of
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THIRD READING
SB-115

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