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SENATE BILL NO. 416

Offered January 9, 2008

Prefiled January 8, 2008

A *BILL to amend and reenact § 38.2-1817 of the Code of Virginia, relating to the collection of information pertaining to insurance agent licensing examinations.*

Patron—Puckett

Referred to Committee on Commerce and Labor

Be it enacted by the General Assembly of Virginia:

1. That § 38.2-1817 of the Code of Virginia is amended and reenacted as follows:

§ 38.2-1817. Examination for license; demographic data; fee required; when fee forfeited.

A. Examinations for licenses shall be conducted at least monthly at the times and places the Commission prescribes. Each applicant shall pass the examination prescribed by the Commission unless otherwise exempted.

B. If a resident individual applicant fails three times to pass the examination, the applicant shall be required to wait thirty calendar days before the applicant may retake the examination.

C. An individual who has been awarded the designation of Chartered Property and Casualty Underwriter shall be exempt from the examination requirements of this article for a property and casualty insurance license or a personal lines license. An individual who has been awarded the designation of Chartered Life Underwriter shall be exempt from the examination requirements for a life and annuities license or a health license. However, no individual shall be exempt from the requirement to submit the application and pay the fee required by § 38.2-1819.

D. Each applicant for an examination shall make application in the form and containing the information the Commission prescribes. *Applications for licensing examinations shall ask the applicant to disclose the following demographic information:*

1. Age range (18-25, 26-30, 31-35, 36-40, 41-45, 46-50, or 50+);

2. Gender (male or female);

3. Race or ethnicity (African-American, Caucasian, Native American, Asian, Hispanic, or Other);

4. Native language; and

5. Highest level of education completed (years of high school or higher education).

The application for the examination shall include a prominent statement that the applicant's disclosure of any demographic information is voluntary and the applicant's refusal to disclose such information shall not affect the results of the applicant's examination. The application shall also state that the applicant's demographic information shall be used only for statistical analysis and shall be maintained separately from the applicant's personally identifiable information.

E. Each applicant shall, at the time of applying to take the examination, pay such fee as may be prescribed by the Commission and in a manner prescribed by the Commission. The prescribed examination fee shall not be less than \$20 nor more than \$100. The examination fee shall be nonrefundable.

F. If the applicant fails to take the examination within ninety calendar days from the date his registration for the examination is accepted, the examination fee shall be forfeited and the registration shall be considered withdrawn.

G. If the applicant fails to obtain the appropriate license from the Commission within 183 calendar days from the date he passes the examination, the examination grade shall be considered invalid and the examination fee and application processing fee shall be forfeited. Such applicant shall be required to reapply for the examination and to satisfy any appropriate preclicensing requirements.

H. An individual who applies for a resident insurance agent's license in this Commonwealth who was previously licensed for the same lines of authority in the individual's home state shall not be required to complete any preclicensing examination. This exemption is only available if the individual is currently licensed in the applicant's home state, or if the application is received within ninety calendar days of the cancellation of the applicant's previous license in the applicant's home state, and if the applicant's home state issues a certification that, at the time of cancellation, the applicant was in good standing in that state or the state's Producer Database records, maintained by the NAIC, its affiliates or subsidiaries, indicate that the producer is or was licensed in good standing for the line of authority requested.

I. *No later than January 31, 2009, and by January 31 of each year thereafter, the Commission or its designee shall prepare and make available to the public via the Internet a report that summarizes the statistical information reported pursuant to subsection D relating to each classification of licensing*

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59 examination administered during the preceding calendar year. The report for each classification of
60 licensing examination shall include the following information for all examinations combined, as well as
61 separately by age range, gender, race or ethnicity, race or ethnicity with gender, native language, and
62 education level:

- 63 1. The total number of examinees;
- 64 2. The percentage and number of examinees who passed the examination on their initial attempt;
- 65 3. The mean scaled scores on the examination;
- 66 4. Standard deviation of scaled scores on the examination; and
- 67 5. Correct-answer rates and correlations.