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HOUSE BILL NO. 2817

Offered January 20, 1997

A BILL to amend and reenact §§ 38.2-1800 and 38.2-1816 of the Code of Virginia, relating to course study required prior to taking the insurance agents' examination.

Patron—Hargrove

Referred to Committee on Corporations, Insurance and Banking

Be it enacted by the General Assembly of Virginia:**1. That §§ 38.2-1800 and 38.2-1816 of the Code of Virginia are amended and reenacted as follows:**

§ 38.2-1800. Definitions.

As used in this chapter:

"Agent" or "insurance agent," when used without qualification, means an individual, partnership, limited liability company, or corporation that solicits, negotiates, procures or effects contracts of insurance or annuity in this Commonwealth.

"Licensed agent" or "licensed insurance agent," when used without qualification, means an individual, partnership, limited liability company, or corporation licensed in this Commonwealth to solicit, negotiate, procure or effect contracts of insurance or annuity of the classes authorized within the scope of such license.

"Appointed agent" or "appointed insurance agent," when used without qualification, means an individual, partnership, limited liability company, or corporation licensed in this Commonwealth to solicit, negotiate, procure, or effect contracts of insurance or annuity of the classes authorized within the scope of such license and who is appointed by a company licensed in this Commonwealth to solicit, negotiate, procure, or effect in its behalf contracts of insurance of the classes authorized within the scope of such license and, if authorized by the company, may collect premiums on those contracts.

"Cooperative nonprofit life benefit insurance agent" means an agent licensed in this Commonwealth to solicit, negotiate, procure, or effect life insurance, accident and sickness insurance or annuities on behalf of insurers licensed under Chapter 38 (§ 38.2-3800 et seq.) of this title.

"Bail bond agent" means an agent licensed in this Commonwealth for the sole purpose of writing appearance bonds as surety, as defined in subdivision 3 of § 38.2-121.

"Burial insurance agent" means an agent licensed in this Commonwealth to solicit, negotiate, procure, or effect burial insurance on behalf of insurers licensed under Chapter 40 (§ 38.2-4000 et seq.) of this title.

"Credit life and health insurance agent" means an agent licensed in this Commonwealth exclusively to solicit, negotiate, procure, or effect credit life insurance and credit accident and sickness insurance on behalf of insurers licensed in this Commonwealth, but only to the extent authorized in Chapter 37.1 (§ 38.2-3717 et seq.) of this title.

"Credit property insurance agent" means an agent licensed in this Commonwealth to solicit, negotiate, procure, or effect insurance against direct physical damage to personal household property used as security for a loan or other credit transaction. Such insurance may insure the creditor as sole beneficiary or may insure both the creditor and the debtor with the creditor as primary beneficiary and the debtor as beneficiary of proceeds not paid to the creditor. As used in this definition, "household personal property" does not include motor vehicles, mobile homes, or watercraft.

"Dental services agent" means an agent licensed in this Commonwealth to solicit, negotiate, procure, or effect dental services plan contracts on behalf of dental services plans licensed under Chapter 45 (§ 38.2-4500 et seq.) of this title.

"Distance learning" means instruction delivered through a medium other than a classroom setting.

"Filed" means received by the Commission.

"Health agent" means an agent licensed in this Commonwealth to solicit, negotiate, procure, or effect applications and coverage on behalf of corporations licensed in this Commonwealth under Chapter 42 (§ 38.2-4200 et seq.) of this title or for health maintenance organizations licensed in this Commonwealth under Chapter 43 (§ 38.2-4300 et seq.) of this title. Nothing in this chapter prohibits any person licensed in this Commonwealth as a life and health agent from also acting as a health agent.

"Legal services agent" means an agent licensed in this Commonwealth to solicit, negotiate, procure, or effect legal services plan contracts on behalf of legal services plans licensed under Chapter 44 (§ 38.2-4400 et seq.) of this title.

"Life and health insurance agent" means an agent licensed in this Commonwealth to solicit, negotiate, procure, or effect life insurance, annuity contracts, and accident and sickness insurance as

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60 defined in §§ 38.2-102, 38.2-103, 38.2-104, 38.2-106, 38.2-108 and 38.2-109, respectively, and variable
61 contracts as defined in §§ 38.2-105 and 38.2-107, if so qualified, on behalf of insurers licensed in this
62 Commonwealth. Except as otherwise provided, limitations or restrictions as to methods of compensation
63 imposed by this title on agents shall not apply to life and health insurance agents.

64 "Mortgage accident and sickness insurance agent" means an agent licensed in this Commonwealth to
65 solicit, negotiate, procure, or effect mortgage accident and sickness insurance on behalf of insurers
66 licensed in this Commonwealth.

67 "Mortgage guaranty insurance agent" means an agent licensed in this Commonwealth to solicit,
68 negotiate, procure, or effect mortgage guaranty insurance on behalf of insurers licensed in this
69 Commonwealth.

70 "Mortgage redemption insurance agent" means an employee of a lending institution, whether or not
71 the institution accepts deposits from the public, licensed in this Commonwealth to solicit, negotiate,
72 procure, or effect mortgage redemption insurance and mortgage accident and sickness insurance.

73 "Mortgage redemption insurance" means a nonrenewable, nonconvertible, decreasing term life insurance
74 policy written in connection with a mortgage transaction for a period of time coinciding with the term
75 of the mortgage. The initial sum shall not exceed the amount of the indebtedness outstanding at the time
76 the insurance becomes effective, rounded up to the next \$1,000.

77 "Mutual assessment life and health insurance agent" means an agent licensed in this Commonwealth
78 to solicit, negotiate, procure, or effect mutual assessment life and accident and sickness insurance on
79 behalf of insurers licensed under Chapter 39 (§ 38.2-3900 et seq.) of this title.

80 "Mutual assessment property and casualty insurance agent" means an agent licensed in this
81 Commonwealth to solicit, negotiate, procure, or effect mutual assessment property and casualty insurance
82 on behalf of insurers licensed under Chapter 25 (§ 38.2-2500 et seq.) of this title.

83 "Ocean marine insurance agent" means an agent licensed in this Commonwealth to solicit, negotiate,
84 procure, or effect those classes of insurance classified in § 38.2-126, except those kinds specifically
85 classified as inland marine insurance, on behalf of insurers licensed in this Commonwealth.

86 "Optometric services agent" means an agent licensed in this Commonwealth to solicit, negotiate,
87 procure, or effect optometric services plan contracts on behalf of optometric services plans licensed
88 under Chapter 45 (§ 38.2-4500 et seq.) of this title.

89 "Property and casualty insurance agent" means an agent licensed in this Commonwealth to solicit,
90 negotiate, procure, or effect insurance as defined in §§ 38.2-110 through 38.2-122.1, and §§ 38.2-124
91 through 38.2-134 on behalf of insurers licensed in this Commonwealth.

92 "Resident" means (i) an individual domiciled and residing in Virginia; (ii) a partnership duly formed
93 and recorded in Virginia; (iii) a corporation incorporated and existing under the laws of Virginia; or (iv)
94 a limited liability company organized and existing under the laws of Virginia.

95 "Single interest insurance agent" means an agent licensed in this Commonwealth to solicit, negotiate,
96 procure, or effect single interest insurance on behalf of insurers licensed in this Commonwealth.

97 "Solicit, negotiate, procure, or effect" means and includes the selling or attempted selling, placing or
98 attempted placing of insurance or coverage, whether directly or indirectly, in this Commonwealth, and
99 for which action the agent receives, or would receive, direct or indirect compensation in the form of
100 commissions, fees, or other inducements or benefits.

101 "Title insurance agent" means an agent licensed in this Commonwealth to solicit, negotiate, procure,
102 or effect title insurance on behalf of title insurance companies licensed under Chapter 46 (§ 38.2-4600 et
103 seq.) of this title.

104 "Travel accident insurance agent" means an individual at transportation terminal buildings, or a
105 ticket-selling agent of a railroad, steamship company, air carrier, or public bus carrier, who is licensed in
106 this Commonwealth solely to act as an agent in the sale of travel accident insurance to individuals.

107 "Travel baggage insurance agent" means the ticket-selling agent of a railroad or steamship company,
108 air carrier, or public bus carrier who is licensed in this Commonwealth solely to act as an agent in the
109 sale of travel baggage insurance to individuals.

110 "Variable contract agent" means an agent licensed in this Commonwealth to solicit, negotiate,
111 procure, or effect variable contracts on behalf of insurers licensed in this Commonwealth.

112 § 38.2-1816. Study course required; exception based upon employment experience.

113 A. Before registering to take an examination for a license, each applicant shall have completed a
114 ~~forty-five classroom-hour~~ an insurance study course of *forty-five hours of classroom instruction or*
115 *distance learning* in accordance with an examination content outline approved by the Commission and
116 shall submit proof of such completion in a form acceptable to the Commission. However, applicants for
117 a health agent license shall complete a ~~twenty-five classroom-hour~~ an insurance study course of
118 *twenty-five hours of classroom instruction or distance learning* in accordance with an examination
119 content outline approved by the Commission.

120 B. An applicant shall register to take an examination for a license and shall attain a passing grade on
121 such examination within one year after meeting the education requirement in subsection A of this

122 section. The Commission, however, may waive this time limit in individual circumstances in accordance
123 with such criteria as may be prescribed.

124 C. An applicant may apply to the Commission to take the examination for a license without taking
125 the required study course if the applicant submits proof in a form acceptable to the Commission that he
126 has attained equivalent knowledge through employment experience as determined by the Commission.
127 The employment experience shall include no less than one year of full-time experience as an employee
128 of an insurer, an insurance department, an insurance agency, or equivalent employment as determined by
129 the Commission. The employment experience shall have involved the performance of responsible
130 insurance duties in connection with the kind of insurance for which the applicant has applied for a
131 license. The applicant shall register for and attain a passing grade on such examination within one year
132 of completion of the required employment experience.

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