VIRGINIA ACTS OF ASSEMBLY -- 2013 SESSION

CHAPTER 212

An Act to amend and reenact § 38.2-1822 of the Code of Virginia, relating to the licensing of insurance agents; effect of revocation or surrender of license.

[H 1838]

Approved March 12, 2013

Be it enacted by the General Assembly of Virginia:
1. That § 38.2-1822 of the Code of Virginia is amended and reenacted as follows:
§ 38.2-1822. License required of individual and business entity agents; individual acting for business entity licensee.

A. No person shall act, and no insurer or licensed agent shall knowingly permit a person to act, in this Commonwealth as an agent of an insurer licensed to transact the business of insurance in this Commonwealth without first obtaining a license in a manner and in a form prescribed by the Commission. As used in this section, "act as an agent" means selling, soliciting, or negotiating contracts of insurance or annuity on behalf of an insurer licensed in this Commonwealth or receiving or sharing, directly or indirectly, any commission or other valuable consideration arising from the sale, solicitation, or negotiation of any such contract, or both. No person shall submit business to any joint underwriting association or any plan established under this title for the equitable distribution of risks among insurers unless the person holds a valid license to transact the class of insurance involved.

B. No individual shall act as an agent on behalf of a business entity in the transaction of insurance unless he is licensed as an agent and appointed, if appointment is required by statute. *No individual whose license has been revoked by the Commission, or voluntarily surrendered in lieu of a hearing before the Commission, shall directly or indirectly own and operate, control, or be employed in any manner by an insurance agent or agency during the time period in which the individual is unlicensed unless otherwise authorized by the Commission.*

C. No business entity may act as an agent in this Commonwealth unless licensed and appointed, if appointment is required by statute. The existence of the business entity shall be recorded pursuant to law. The Commission may require proof of the foregoing before issuing a license to the business entity.

D. For a nonresident business entity, a certification by the insurance department of the business entity's home state satisfying the requirements of subsection A of § 38.2-1836 shall be deemed to satisfy the foregoing requirements.

E. In addition to the requirements of §§ 59.1-69 and 59.1-70, any individual or business entity conducting the business of insurance in this Commonwealth under an assumed or fictitious name shall notify the Bureau of Insurance either at the time the application for a license to do business is filed or within ~~thirty~~ *30* calendar days from the date the assumed or fictitious name is adopted, setting forth the name under which such business is to be conducted.

F. When the business of insurance is no longer conducted under an assumed or fictitious name, notification to the Bureau of Insurance is required within ~~thirty~~ *30* calendar days from the date of cessation of use of such assumed or fictitious name.

G. Notwithstanding any other provision in this chapter, no license shall be required of a person whose employment responsibilities include enrolling individuals under a group insurance policy, provided that such person receives no commission or other valuable consideration for such enrollments, and that such compensation is in no manner contingent upon the number of individuals enrolled or the amount of premium generated by such enrollments. As used in this subsection "enrolling individuals" means the process of informing individuals of the availability of coverages, calculating the insurance charge, assisting with completion of the enrollment application, preparing and delivering the certificate of insurance, answering questions regarding the coverages, and assisting the individual in making an informed decision whether or not enrollment under the group insurance plan is to be elected.