

**Effective 5/13/2014**

**31A-23a-105 General requirements for individual and agency license issuance and renewal.**

- (1)
- (a) The commissioner shall issue or renew a license to a person described in Subsection (1)(b) to act as:
    - (i) a producer;
    - (ii) a surplus lines producer;
    - (iii) a limited line producer;
    - (iv) a consultant;
    - (v) a managing general agent; or
    - (vi) a reinsurance intermediary.
  - (b) The commissioner shall issue or renew a license under Subsection (1)(a) to a person who, as to the license type and line of authority classification applied for under Section 31A-23a-106:
    - (i) satisfies the application requirements under Section 31A-23a-104;
    - (ii) satisfies the character requirements under Section 31A-23a-107;
    - (iii) satisfies applicable continuing education requirements under Section 31A-23a-202;
    - (iv) satisfies applicable examination requirements under Section 31A-23a-108;
    - (v) satisfies applicable training period requirements under Section 31A-23a-203;
    - (vi) if an applicant for a resident individual producer license, certifies that, to the extent applicable, the applicant:
      - (A) is in compliance with Section 31A-23a-203.5; and
      - (B) will maintain compliance with Section 31A-23a-203.5 during the period for which the license is issued or renewed;
    - (vii) has not committed an act that is a ground for denial, suspension, or revocation as provided in Section 31A-23a-111;
    - (viii) if a nonresident:
      - (A) complies with Section 31A-23a-109; and
      - (B) holds an active similar license in that person's home state;
    - (ix) if an applicant for an individual title insurance producer or agency title insurance producer license, satisfies the requirements of Section 31A-23a-204;
    - (x) if an applicant for a license to act as a life settlement provider or life settlement producer, satisfies the requirements of Section 31A-23a-117; and
    - (xi) pays the applicable fees under Section 31A-3-103.
- (2)
- (a) This Subsection (2) applies to the following persons:
    - (i) an applicant for a pending:
      - (A) individual or agency producer license;
      - (B) surplus lines producer license;
      - (C) limited line producer license;
      - (D) consultant license;
      - (E) managing general agent license; or
      - (F) reinsurance intermediary license; or
    - (ii) a licensed:
      - (A) individual or agency producer;
      - (B) surplus lines producer;
      - (C) limited line producer;
      - (D) consultant;
      - (E) managing general agent; or

- (F) reinsurance intermediary.
  - (b) A person described in Subsection (2)(a) shall report to the commissioner:
    - (i) an administrative action taken against the person, including a denial of a new or renewal license application:
      - (A) in another jurisdiction; or
      - (B) by another regulatory agency in this state; and
    - (ii) a criminal prosecution taken against the person in any jurisdiction.
  - (c) The report required by Subsection (2)(b) shall:
    - (i) be filed:
      - (A) at the time the person files the application for an individual or agency license; and
      - (B) for an action or prosecution that occurs on or after the day on which the person files the application:
        - (I) for an administrative action, within 30 days of the final disposition of the administrative action; or
        - (II) for a criminal prosecution, within 30 days of the initial appearance before a court; and
    - (ii) include a copy of the complaint or other relevant legal documents related to the action or prosecution described in Subsection (2)(b).
- (3)
- (a) The department may require a person applying for a license or for consent to engage in the business of insurance to submit to a criminal background check as a condition of receiving a license or consent.
  - (b) A person, if required to submit to a criminal background check under Subsection (3)(a), shall:
    - (i) submit a fingerprint card in a form acceptable to the department; and
    - (ii) consent to a fingerprint background check by:
      - (A) the Utah Bureau of Criminal Identification; and
      - (B) the Federal Bureau of Investigation.
  - (c) For a person who submits a fingerprint card and consents to a fingerprint background check under Subsection (3)(b), the department may request:
    - (i) criminal background information maintained pursuant to Title 53, Chapter 10, Part 2, Bureau of Criminal Identification, from the Bureau of Criminal Identification; and
    - (ii) complete Federal Bureau of Investigation criminal background checks through the national criminal history system.
  - (d) Information obtained by the department from the review of criminal history records received under this Subsection (3) shall be used by the department for the purposes of:
    - (i) determining if a person satisfies the character requirements under Section 31A-23a-107 for issuance or renewal of a license;
    - (ii) determining if a person has failed to maintain the character requirements under Section 31A-23a-107; and
    - (iii) preventing a person who violates the federal Violent Crime Control and Law Enforcement Act of 1994, 18 U.S.C. Sec. 1033, from engaging in the business of insurance in the state.
  - (e) If the department requests the criminal background information, the department shall:
    - (i) pay to the Department of Public Safety the costs incurred by the Department of Public Safety in providing the department criminal background information under Subsection (3)(c)(i);
    - (ii) pay to the Federal Bureau of Investigation the costs incurred by the Federal Bureau of Investigation in providing the department criminal background information under Subsection (3)(c)(ii); and
    - (iii) charge the person applying for a license or for consent to engage in the business of insurance a fee equal to the aggregate of Subsections (3)(e)(i) and (ii).

- (4) To become a resident licensee in accordance with Section 31A-23a-104 and this section, a person licensed as one of the following in another state who moves to this state shall apply within 90 days of establishing legal residence in this state:
- (a) insurance producer;
  - (b) surplus lines producer;
  - (c) limited line producer;
  - (d) consultant;
  - (e) managing general agent; or
  - (f) reinsurance intermediary.
- (5)
- (a) The commissioner may deny a license application for a license listed in Subsection (5)(b) if the person applying for the license, as to the license type and line of authority classification applied for under Section 31A-23a-106:
- (i) fails to satisfy the requirements as set forth in this section; or
  - (ii) commits an act that is grounds for denial, suspension, or revocation as set forth in Section 31A-23a-111.
- (b) This Subsection (5) applies to the following licenses:
- (i) producer;
  - (ii) surplus lines producer;
  - (iii) limited line producer;
  - (iv) consultant;
  - (v) managing general agent; or
  - (vi) reinsurance intermediary.
- (6) Notwithstanding the other provisions of this section, the commissioner may:
- (a) issue a license to an applicant for a license for a title insurance line of authority only with the concurrence of the Title and Escrow Commission; and
  - (b) renew a license for a title insurance line of authority only with the concurrence of the Title and Escrow Commission.

Amended by Chapter 290, 2014 General Session

Amended by Chapter 300, 2014 General Session