

Bulletin 1

CREDIT LIFE, ACCIDENT AND HEALTH COMPANIES AND AGENTS EXAMINATIONS

November 7, 1955

All life companies and life agents are hereby notified that the term "life insurance company" includes any company engaged in the credit life insurance business and the term "life insurance agent" includes any agent for a credit life insurance company.

All laws relating to the licensing of life insurance companies and life insurance agents are applicable to each and every credit life insurance company and each and every life insurance agent. In short, the definition of life insurance is inclusive of the credit life insurance business.

Consequently, each and every life insurance agent, which necessarily includes a credit life insurance agent, must, as a condition to obtaining or renewing his license, have taken a course of training approved by this Department or in the alternative must have taken and passed a written examination conducted by this Department.

It is also incumbent upon each life insurance company, which it is reiterated includes a credit life insurance company, to submit to this Department any course of training which it provides for prospective life insurance agents. The entire curriculum and the full details of such course of training must be given to this Department. If this Department approves the course of training and if adequate proof is provided to this Department that the prospective life insurance agent has actually taken and satisfactorily passed such course of training, then the written examination will be dispensed with. Unless these conditions are met in the case of each and every applicant for a life insurance agent's license, then the applicant will be required to take the written examination.

It has also come to this Department's attention that some life insurance agents are also engaging in the sale of accident and health insurance. All companies and all agents are notified that a life insurance agent's license limits him to the sale of life insurance and no other form of insurance. Any life insurance agent who desires to sell accident and health insurance, including credit accident and health insurance, must, without any conditions attached thereto, take and pass this Department's written examination for accident and health license.

It is most regrettable that the above bulletin is necessitated by information reaching this Department that a few companies have represented to this Department that they are giving courses of training when in fact sometimes no training has actually been given to the applicant.

The proof of having completed an approved course of training, given by life insurance companies to prospective life insurance agents, must be adequate within the Department's discretion. Also, the adequacy of the course of training must be established to the satisfaction of this Department. In cases of doubt, the Department may even require affidavits.

For infraction of the limitation of life insurance agents to selling only life insurance policies, revocation of license will follow.

Furthermore, in the case of any insurance company which collaborates in or condones any or all of the above designated illegal practices, the full penalty prescribed by law will be invoked.

William J. Davey
Insurance Commissioner

Withdrawn