

HB 1197 -- FRATERNAL BENEFIT SOCIETY AGENTS

SPONSOR: Muntzel

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Property, Casualty, and Life Insurance by a vote of 12 to 0. Voted "Do Pass" by the Select Committee on Insurance by a vote of 10 to 1.

Currently, there are two categories of individuals within a fraternal benefit society that are not deemed an agent of the fraternal benefit society requiring insurance agent licensure:

(1) Any regular salaried officer, employee or secretary who devotes substantially all services to activities other than the solicitation of insurance contracts; and

(2) Any member representative of a society that insures members against death, dismemberment, or disability from accident only and that receive no commission or other consideration.

This bill changes the second category of individuals exempt from insurance agent licensure to be any member representative of any fraternal benefit society who devotes less than 50% of his or her time to the solicitation and procurement of insurance contracts. A member representative is deemed to devote 50% of his or her time to the solicitation and procurement of insurance contracts if they solicited and procured insurance contracts in excess of \$50,000 or contracts on more than 25 individuals.

PROPOSERS: Supporters say that this bill clarifies what individuals of a fraternal benefit society need to be licensed as insurance agents.

Testifying for the bill were Representative Muntzel and Mark Stahlhuth, The Travelers Protective Association of America.

OPPOSERS: There was no opposition voiced to the committee.