

SB 392 -- FRATERNAL BENEFIT SOCIETY AGENTS

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

(1) Any regular salaried officer, employee, or secretary who devotes substantially all of his or her services to activities other than the solicitation of insurance contracts and receives no commission or other compensation directly dependent upon the amount of business obtained; or

(2) Any member representative of a society that insures its members against death, dismemberment, and disability resulting from accident only which pays no commission or other consideration for the collection of premiums for the contracts.

This bill changes the second category of individuals exempt from insurance agent licensure to any member representative of any fraternal benefit society who devotes, or intends to devote, less than 50% of his or her time to the solicitation and procurement of insurance contracts for the society. A member representative is deemed to devote 50% or more of his or her time to the solicitation and procurement of insurance contracts for a society if he or she solicited and procured life insurance contracts in the preceding calendar year in an amount of insurance in excess of \$50,000 or writes contracts on any kind or kinds of insurance on more than 25 individuals and who has received or will receive a commission or other compensation.