

806 KAR 9:310. Life settlement licenses.

RELATES TO: KRS 304.15-020, 304.15-700-304.15-725

STATUTORY AUTHORITY: KRS 304.2-110(1), 304.15-700, 304.15-720

NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110(1) authorizes the Commissioner of Insurance to promulgate administrative regulations necessary for or as an aid to the effectuation of any provision of the Kentucky Insurance Code. KRS 304.15-700(2)(a) requires the commissioner to promulgate administrative regulations to provide for the licensing of life settlement brokers and the termination or revocation of the license. KRS 304.15-720 authorizes the commissioner to promulgate administrative regulations to implement KRS 304.15-700 to 304.15-720. KRS 304.15-700 prohibits any person from acting as a life settlement provider or broker without first obtaining the appropriate license from the commissioner. This administrative regulation establishes the requirements and fees for the issuance and continuation of life settlement provider and broker licenses.

Section 1. Individual Applicant.

(1) An individual seeking a life settlement broker or provider license shall:

- (a) Be at least twenty-one (21) years of age;
- (b) Submit either:
 1. A completed Form 8301, NAIC Individual Insurance Producer License Application incorporated by reference in 806 KAR 9:025; or
 2. A completed, electronic Individual Uniform Application prescribed by the National Association of Insurance Commissioners (NAIC) and available on the National Insurance Producer Registry's (NIPR) Web site: www.NIPR.com;
- (c) Remit the appropriate nonrefundable fee:
 1. For a life settlement provider license, \$500;
 2. For a life settlement broker license, \$250; and
- (d) Have in force financial responsibility in the amounts established by KRS 304.15-700(5).

(2) In addition to the requirements of subsection (1) of this section, an individual seeking a life settlement broker license shall:

- (a) Have completed a forty (40) hour life settlement prelicensing course of study approved by the commissioner; and
- (b) Have passed a life settlement examination in accordance with 806 KAR 9:025.

Section 2. Exempt individuals. A person licensed as a resident or nonresident insurance agent with a life line of authority under KRS 304.15-700(2)(b) shall within thirty (30) days of first acting as a life settlement broker without a license:

- (1) Submit a completed electronic Individual Uniform Notification prescribed by the NAIC and available on the NIPR's Web site: www.NIPR.com;
- (2) Remit the nonrefundable fee of \$250; and
- (3) Have in force financial responsibility in the amounts established in KRS 304.15-700(2)(d).

Section 3. Background report. Resident individuals seeking licensure under Section 1 of this administrative regulation or providing notice of exemption under Section 2 of this administrative regulation shall submit a criminal background check report obtained through the Kentucky Administrative Office of the Courts.

Section 4. Continuing Education.

- (1) An individual licensed as either a life settlement broker or an insurance agent authorized to operate as a life settlement broker shall complete twenty-four (24) hours of continuing education approved by the commissioner, which shall include a minimum of:
 - (a) Three (3) hours in life insurance;

- (b) Three (3) hours in life settlements; and
 - (c) Three (3) hours in ethics.
- (2) The same hours may be credited towards the individual's continuing education requirements for the life settlement broker license and the applicable agent license, if any.

Section 5. Business Entity Applicant. A business entity applying for a life settlement broker or provider license shall:

- (1) Submit either:
 - (a) A completed Form 8301 - BE, Uniform Application for Business Entity Insurance License incorporated by reference in 806 KAR 9:025; or
 - (b) A completed, electronic Uniform Business Entity Application prescribed by the NAIC and available on the NIPR's Web site: www.NIPR.com;
- (2) Remit the appropriate nonrefundable fee:
 - (a) For a life settlement provider license, \$1,500;
 - (b) For a life settlement broker license, \$750; and
- (3) Have in force financial responsibility in the amounts established in KRS 304.15-700(5).

Section 6. Renewal and Continuation of License.

- (1) Each life settlement license shall continue in force and renew in accordance with KRS 304.9-260. The renewal fee shall be nonrefundable and in the amount as follows:
 - (a) \$250 for an individual broker licensee;
 - (b) \$500 for an individual provider licensee;
 - (c) \$750 for a business entity broker licensee; and
 - (d) \$1500 for a business entity provider licensee.
 - (2) A life settlement broker or provider licensee or an insurance agent authorized to operate as a life settlement broker shall notify the department in writing within thirty (30) days of any change to the information in the application, notification, or supporting documents submitted seeking licensure or providing notice of exemption.
- (27 Ky.R. 3190; Am. 28 Ky.R. 81; eff. 7-16-2001; 29 Ky.R. 1364; eff. 1-16-2003; 32 Ky.R. 323; 909; 2013; eff. 6-2-2006; 35 Ky.R. 1912; eff. 5-1-2009; 46 Ky.R. 18710; eff. 1-3-2020.)