

1 AN ACT relating to insurance.

2 ***Be it enacted by the General Assembly of the Commonwealth of Kentucky:***

3 ➔Section 1. KRS 329A.070 is amended to read as follows:

4 The provisions of KRS 329A.010 to 329A.090 do not apply to:

- 5 (1) An officer or employee of the United States, this state, another state, or any political  
6 subdivision thereof, performing his or her official duties within the course and  
7 scope of his or her employment;
- 8 (2) A public accountant, certified public accountant, or the bona fide employee of  
9 either, performing duties within the scope of public accountancy;
- 10 (3) A person engaged exclusively in the business of obtaining and furnishing  
11 information regarding the financial rating or standing and credit of persons;
- 12 (4) An attorney-at-law, or an attorney's bona fide employee, performing duties within  
13 the scope of the practice of law or authorized agent with duties limited to document  
14 and record retrieval or witness interviews;
- 15 (5) An insurance company, licensed insurance agent, ~~for~~ staff or independent adjuster  
16 if authorized to do business in Kentucky, **or an individual employed by an**  
17 **insurance company or licensed insurance agent to investigate suspected**  
18 **fraudulent insurance claims, but who does not adjust losses or determine claims**  
19 **payments,** performing investigative duties limited to matters strictly pertaining to an  
20 insurance transaction;
- 21 (6) A person engaged in compiling genealogical information, or otherwise tracing  
22 lineage or ancestry, by primarily utilizing public records and historical information  
23 or databases;
- 24 (7) A private business employee conducting investigations relating to the company  
25 entity by which he or she is employed;
- 26 (8) An individual obtaining information or conducting investigations on his or her own  
27 behalf;

- 1 (9) An employee of a private investigator or a private investigating firm who works  
2 under the direction of the private investigator or the private investigating firm for  
3 less than two hundred forty (240) hours per year. The board shall promulgate  
4 administrative regulations to establish a method of verification of the number of  
5 hours worked;
- 6 (10) A professional engineer, a professional land surveyor, or a professional engineer's  
7 or professional land surveyor's bona fide employee, performing duties within the  
8 scope of practice of engineering or land surveying; or
- 9 (11) A secured creditor, or person acting on behalf of a secured creditor, engaged in the  
10 repossession of the creditor's collateral pursuant to KRS 355.9-609.
- 11 ➔Section 2. KRS 304.9-430 is amended to read as follows:
- 12 (1) No person shall in this state act as or hold himself, herself, or itself out to be an  
13 independent, staff, or public adjuster unless then licensed by the ~~Kentucky~~  
14 ~~Department of Insurance~~ as an independent, staff, or public adjuster.
- 15 (2) An individual applying for a resident independent, staff, or public adjuster license  
16 shall make application to the commissioner on the appropriate uniform individual  
17 application and in a format prescribed by the commissioner. The applicant shall  
18 declare under penalty of suspension, revocation, or refusal of the license that the  
19 statements made in the application are true, correct, and complete to the best of the  
20 individual's knowledge and belief. Before approving the application, the  
21 commissioner shall find that the individual to be licensed:
- 22 (a) Is at least eighteen (18) years of age;
- 23 (b) Is eligible to designate Kentucky as his or her home state;
- 24 (c) Is trustworthy, reliable, and of good reputation, evidence of which shall be  
25 determined through an investigation by the commissioner;
- 26 (d) Has not committed any act that is a ground for probation or suspension,  
27 revocation, or refusal of a license as set forth in KRS 304.9-440;

- 1 (e) Has successfully passed the examination for the adjuster license and the  
2 applicable line of authority for which the individual has applied;
- 3 (f) Has paid the fees established by the commissioner pursuant to KRS 304.4-  
4 010; and
- 5 (g) Is financially responsible to exercise the license.
- 6 (3) (a) To demonstrate financial responsibility, a person applying for a public  
7 adjuster license shall obtain a bond or irrevocable letter of credit prior to  
8 issuance of a license and shall maintain the bond or letter of credit for the  
9 duration of the license with the following limits:
- 10 1. A surety bond executed and issued by an insurer authorized to issue  
11 surety bonds in Kentucky, which bond shall:
- 12 a. Be in the minimum amount of twenty thousand dollars (\$20,000);  
13 b. Be in favor of the state of Kentucky and shall specifically  
14 authorize recovery of any person in Kentucky who sustained  
15 damages as the result of erroneous acts, failure to act, conviction  
16 of fraud, or conviction for unfair trade practices in his or her  
17 capacity as a public adjuster; and
- 18 c. Not be terminated unless written notice is given to the licensee at  
19 least thirty (30) days prior to the termination; or
- 20 2. An irrevocable letter of credit issued by a qualified financial institution,  
21 which letter of credit shall:
- 22 a. Be in the minimum amount of twenty thousand dollars (\$20,000);  
23 b. Be subject to lawful levy of execution on behalf of any person to  
24 whom the public adjuster has been found to be legally liable as the  
25 result of erroneous acts, failure to act, conviction of fraud, or  
26 conviction for unfair practices in his or her capacity as a public  
27 adjuster; and

- 1                   c. Not be terminated unless written notice is given to the licensee at  
2                   least thirty (30) days prior to the termination.
- 3           (b) The commissioner may ask for evidence of financial responsibility at any time  
4           he or she deems relevant.
- 5           (c) The public adjuster license shall automatically terminate if the evidence of  
6           financial responsibility terminates or becomes impaired and shall be promptly  
7           surrendered to the commissioner without demand.
- 8   (4) A business entity applying for a resident independent or public adjuster license shall  
9       make application to the commissioner on the appropriate uniform business entity  
10      application and in a format prescribed by the commissioner. The applicant shall  
11      declare under penalty of suspension, revocation, or refusal of the license that the  
12      statements made in the application are true, correct, and complete to the best of the  
13      business entity's knowledge and belief. Before approving the application, the  
14      commissioner shall find that the business entity:
- 15      (a) Is eligible to designate Kentucky as its home state;
- 16      (b) Has designated a licensed independent or public adjuster responsible for the  
17      business entity's compliance with the insurance laws and regulations of  
18      Kentucky;
- 19      (c) Has not committed an act that is a ground for probation or suspension,  
20      revocation, or refusal of an independent or public adjuster's license as set forth  
21      in KRS 304.9-440; and
- 22      (d) Has paid the fees established by the commissioner pursuant to KRS 304.4-  
23      010.
- 24   (5) The commissioner may require additional information or submissions from  
25      applicants and may obtain any documents or information reasonably necessary to  
26      verify the information contained in an application.
- 27   (6) Unless denied licensure pursuant to KRS 304.9-440, a person or business entity

1 who has met the requirements of subsections (2) to (5) of this section shall be issued  
2 an independent, staff, or public adjuster license.

3 (7) An independent or staff adjuster may qualify for a license in one (1) or more of the  
4 following lines of authority:

- 5 (a) Property and casualty;
- 6 (b) Workers' compensation; or
- 7 (c) Crop.

8 (8) Notwithstanding any other provision of this subtitle, an individual who is  
9 employed by an insurer to investigate suspected fraudulent insurance claims, but  
10 who does not adjust losses or determine claims payments, shall not be required to  
11 be licensed as a staff adjuster.

12 (9) A public adjuster may qualify for a license in one (1) or more of the following lines  
13 of authority:

- 14 (a) Property and casualty; or
- 15 (b) Crop.

16 ~~(10)~~<sup>(9)</sup> Notwithstanding any other provision of this subtitle, a license as an  
17 independent adjuster shall not be required of the following:

- 18 (a) An individual who is sent into Kentucky on behalf of an insurer for the sole  
19 purpose of investigating or making adjustment of a particular loss resulting  
20 from a catastrophe, or for the adjustment of a series of losses resulting from a  
21 catastrophe common to all losses;
- 22 (b) An attorney licensed to practice law in Kentucky, when acting in his or her  
23 professional capacity as an attorney;
- 24 (c) A person employed solely to obtain facts surrounding a claim or to furnish  
25 technical assistance to a licensed independent adjuster;
- 26 (d) An individual who is employed to investigate suspected fraudulent insurance  
27 claims, but who does not adjust losses or determine claims payments;

- 1 (e) A person who solely performs executive, administrative, managerial, or  
2 clerical duties, or any combination thereof, and who does not investigate,  
3 negotiate, or settle claims with policyholders, claimants, or their legal  
4 representatives;
- 5 (f) A licensed health care provider or its employee who provides managed care  
6 services as long as the services do not include the determination of  
7 compensability;
- 8 (g) A health maintenance organization or any of its employees or an employee of  
9 any organization providing managed care services as long as the services do  
10 not include the determination of compensability;
- 11 (h) A person who settles only reinsurance or subrogation claims;
- 12 (i) An officer, director, manager, or employee of an authorized insurer, surplus  
13 lines insurer, or risk retention group, or an attorney-in-fact of a reciprocal  
14 insurer;
- 15 (j) A United States manager of the United States branch of an alien insurer;
- 16 (k) A person who investigates, negotiates, or settles claims arising under a life,  
17 accident and health, or disability insurance policy or annuity contract;
- 18 (l) An individual employee, under a self-insured arrangement, who adjusts claims  
19 on behalf of his or her employer;
- 20 (m) A licensed agent, attorney-in-fact of a reciprocal insurer, or managing general  
21 agent of the insurer, to whom claim authority has been granted by the insurer;  
22 or
- 23 (n) A person who:
- 24 1. Is an employee of a licensed independent adjuster or an employee of an  
25 affiliate that is a licensed independent adjuster or is supervised by a  
26 licensed independent adjuster, if there are no more than twenty-five (25)  
27 persons under the supervision of one (1) licensed individual independent

- 1 adjuster or licensed agent who is exempt from licensure pursuant to  
2 paragraph (m) of this subsection;
- 3 2. Collects claim information from insureds or claimants;
  - 4 3. Enters data into an automated claims adjudication system; and
  - 5 4. Furnishes claim information to insureds or claimants from the results of  
6 the automated claims adjudication system.

7 For purposes of this paragraph, "automated claims adjudication system"  
8 means a preprogrammed computer system designed for the collection, data  
9 entry, calculation, and system-generated final resolution of consumer  
10 electronic products insurance claims that complies with claim settlement  
11 practices pursuant to Subtitle 12 of KRS Chapter 304.

12 ~~(11)~~<sup>(10)</sup> Notwithstanding any other provision of this subtitle, a license as a public  
13 adjuster shall not be required of the following:

- 14 (a) An attorney licensed to practice law in Kentucky, when acting in his or her  
15 professional capacity as an attorney;
- 16 (b) A person who negotiates or settles claims arising under a life or health  
17 insurance policy or an annuity contract;
- 18 (c) A person employed only for the purpose of obtaining facts surrounding a loss  
19 or furnishing technical assistance to a licensed public adjuster, including  
20 photographers, estimators, private investigators, engineers, and handwriting  
21 experts; or
- 22 (d) A licensed health care provider or its employee who prepares or files a health  
23 claim form on behalf of a patient.

24 ~~(12)~~<sup>(11)</sup> For purposes of this section, "home state" means any state or territory of the  
25 United States or the District of Columbia in which an independent, staff, or public  
26 adjuster maintains his, her, or its principal place of residence or business and is  
27 licensed to act as a resident independent, staff, or public adjuster. If the state of the

1 principal place of residence does not license an independent, staff, or public adjuster  
2 for the line of authority sought, the independent, staff, or public adjuster shall  
3 designate as his, her, or its home state, any state in which the independent or public  
4 adjuster is licensed and in good standing.

5 ~~(13)~~~~(12)~~ Temporary registration for emergency independent or staff adjusters shall be  
6 issued by the commissioner in the event of a catastrophe declared in Kentucky in  
7 the following manner:

8 (a) An insurer shall notify the commissioner by submitting an application for  
9 temporary emergency registration of each individual not already licensed in  
10 the state where the catastrophe has been declared, who will act as an  
11 emergency independent adjuster on behalf of the insurer;

12 (b) A person who is otherwise qualified to adjust claims, but who is not already  
13 licensed in the state, may act as an emergency independent or staff adjuster  
14 and adjust claims if, within five (5) days of deployment to adjust claims  
15 arising from the catastrophe, the insurer notifies the commissioner by  
16 providing the following information, in a format prescribed by the  
17 commissioner:

- 18 1. The name of the individual;
- 19 2. The Social Security number of the individual;
- 20 3. The name of the insurer that the independent or staff adjuster will  
21 represent;
- 22 4. The catastrophe or loss control number;
- 23 5. The catastrophe event name and date; and
- 24 6. Any other information the commissioner deems necessary; and

25 (c) An emergency independent or staff adjuster's registration shall remain in force  
26 for a period not to exceed ninety (90) days, unless extended by the  
27 commissioner.



- 1 ~~(14)~~~~(13)~~ (a) Unless refused licensure in accordance with KRS 304.9-440, a  
2 nonresident person shall receive a nonresident independent, staff, or public  
3 adjuster license if:
- 4 1. The person is currently licensed in good standing as an independent,  
5 staff, or public adjuster in his, her, or its home state;
  - 6 2. The person has submitted the proper request for licensure, and has paid  
7 the fees required by KRS 304.4-010;
  - 8 3. The person has submitted, in a form or format prescribed by the  
9 commissioner, the uniform individual application; and
  - 10 4. The person's designated home state issues nonresident independent,  
11 staff, or public adjuster licenses to persons of Kentucky on the same  
12 basis.
- 13 (b) The commissioner may verify the independent, staff, or public adjuster's  
14 licensing status through any appropriate database or may request certification  
15 of good standing.
- 16 (c) As a condition to the continuation of a nonresident adjuster license, the  
17 licensee shall maintain a resident adjuster license in his, her, or its home state.
- 18 (d) The nonresident adjuster license issued under this section shall terminate and  
19 be surrendered immediately to the commissioner if the resident adjuster  
20 license terminates for any reason, unless the termination is due to the adjuster  
21 being issued a new resident independent or public adjuster license in his, her,  
22 or its new home state. If the new resident state does not have reciprocity with  
23 Kentucky, the nonresident adjuster license shall terminate.
- 24 ~~[(14) An individual applying for a nonresident independent, staff, or public adjuster~~  
25 ~~license in Kentucky shall be allowed one hundred eighty (180) days from July 15,~~  
26 ~~2010, to establish a home state. This subsection shall expire two (2) years from July~~  
27 ~~15, 2010.]~~

1        ➔Section 3. KRS 304.20-020 is amended to read as follows:

- 2        (1) No automobile liability or motor vehicle liability policy of insurance insuring  
 3        against loss resulting from liability imposed by law for bodily injury or death  
 4        suffered by any person arising out of the ownership, maintenance or use of a motor  
 5        vehicle shall be delivered or issued for delivery in this state with respect to any  
 6        motor vehicle registered or principally garaged in this state unless coverage is  
 7        provided therein or supplemental thereto, in limits for bodily injury or death set  
 8        forth in KRS 304.39-110 under provisions approved by the commissioner, for the  
 9        protection of persons insured thereunder who are legally entitled to recover  
 10       damages from owners or operators of uninsured motor vehicles because of bodily  
 11       injury, sickness or disease, including death, resulting therefrom; provided that  
 12       ~~any~~the named insured shall have the right to reject in writing such coverage; and  
 13       provided further that **the rejection shall be valid for all insureds under the policy,**  
 14       **and** unless ~~a~~a named insured requests such coverage in writing, such coverage  
 15       need not be provided in or supplemental to a renewal, **reinstatement, substitute,**  
 16       **replacement, or amended** policy **issued to the same named insured by the same**  
 17       **insurer or any of its affiliates or subsidiaries**~~[where the named insured had~~  
 18       ~~rejected the coverage in connection with a policy previously issued to him or her by~~  
 19       ~~the same insurer].~~
- 20       (2) For the purpose of this coverage the term "uninsured motor vehicle" shall, subject to  
 21       the terms and conditions of such coverage, be deemed to include an insured motor  
 22       vehicle where the liability insurer thereof is unable to make payment with respect to  
 23       the legal liability of its insured within the limits specified therein because of  
 24       insolvency; an insured motor vehicle with respect to which the amounts provided,  
 25       under the bodily injury liability bond or insurance policy applicable at the time of  
 26       the accident with respect to any person or organization legally responsible for the  
 27       use of such motor vehicle, are less than the limits described in KRS 304.39-110;

1 and an insured motor vehicle to the extent that the amounts provided in the liability  
2 coverage applicable at the time of the accident is denied by the insurer writing the  
3 same.

4 (3) Protection against an insurer's insolvency shall be applicable only to accidents  
5 occurring during a policy period in which its insured's uninsured motorist coverage  
6 is in effect where the liability insurer of the tortfeasor becomes insolvent within one  
7 (1) year after such an accident. Nothing herein contained shall be construed to  
8 prevent any insurer from affording insolvency protection under terms and  
9 conditions more favorable to its insureds than is provided hereunder.

10 (4) In the event of payment to any person under the coverage required by this section  
11 and subject to the terms and conditions of such coverage, the insurer making such  
12 payment shall, to the extent thereof, be entitled to the proceeds of any settlement or  
13 judgment resulting from the exercise of any rights of recovery of such person  
14 against any person or organization legally responsible for the bodily injury for  
15 which such payment is made, including the proceeds recoverable from the assets of  
16 the insolvent insurer.

17 ➔Section 4. KRS 304.39-230 is amended to read as follows:

18 (1) If no basic or added reparation benefits have been paid for loss arising otherwise  
19 than from death, an action therefor may be commenced not later than two (2) years  
20 after the injured person suffers the loss and either knows, or in the exercise of  
21 reasonable diligence should know, that the loss was caused by the accident, or not  
22 later than four (4) years after the accident, whichever is earlier. If basic or added  
23 reparation benefits have been paid for loss arising otherwise than from death, an  
24 action for further benefits, other than survivor's benefits, by either the same or  
25 another claimant, may be commenced not later than two (2) years after the last  
26 payment of benefits.

27 (2) If no basic or added reparation benefits have been paid to the decedent or his *or her*

- 1 survivors, an action for survivor's benefits may be commenced not later than one (1)  
2 year after the death or four (4) years after the accident from which death results,  
3 whichever is earlier. If survivor's benefits have been paid to any survivor, an action  
4 for further survivor's benefits by either the same or another claimant may be  
5 commenced not later than two (2) years after the last payment of benefits. If basic or  
6 added reparation benefits have been paid for loss suffered by an injured person  
7 before his or her death resulting from the injury, an action for survivor's benefits  
8 may be commenced not later than one (1) year after the death or four (4) years after  
9 the last payment of benefits, whichever is earlier.
- 10 (3) If timely action for basic reparation benefits is commenced against a reparation  
11 obligor and benefits are denied because of a determination that the reparation  
12 obligor's coverage is not applicable to the claimant under the provisions on priority  
13 of applicability of basic reparation security, an action against the applicable  
14 reparation obligor or the assigned claims bureau may be commenced not later than  
15 sixty (60) days after the determination becomes final or the last date on which the  
16 action could otherwise have been commenced, whichever is later.
- 17 (4) Except as subsections (1), (2), or (3) of this section prescribe a longer period, an  
18 action by a claimant on an assigned claim which has been timely presented may be  
19 commenced not later than sixty (60) days after the claimant received written notice  
20 of rejection of the claim by the reparation obligor to which it was assigned.
- 21 (5) If a person entitled to basic or added reparation benefits is under legal disability  
22 when the right to bring an action for the benefits first accrues, the period of his or  
23 her disability is a part of the time limited for commencement of the action.
- 24 (6) An action for tort liability not abolished by KRS 304.39-060 may be commenced  
25 not later than two (2) years after the injury, or the death, or the date of issuance of  
26 the last basic or added reparation payment made by any reparation obligor,  
27 whichever later occurs. For the purposes of determining the date of issuance of

1 the last basic or added reparation payment made by a reparation obligor, a  
2 replacement payment does not extend the date beyond the date of the original  
3 payment. For the purposes of this section, "replacement payment" means a  
4 payment in the same amount as the original payment, but which is issued as a  
5 replacement for the original payment for reasons including but not limited to the  
6 original payment being lost, stolen, or not delivered. A reparation obligor shall  
7 provide to a claimant or the claimant's attorney upon written request information  
8 on whether any payment is a replacement payment.

9 ➔Section 5. KRS 304.9-295 is amended to read as follows:

- 10 (1) This section shall apply to individuals who hold licenses or lines of authority  
11 requiring continuing education each biennium.
- 12 (2) The continuing education biennial compliance date for an individual resident  
13 licensee shall be as follows:
- 14 (a) A licensee whose birth date is in an even-numbered year shall satisfy  
15 continuing education requirements on or before the last day of the licensee's  
16 birth month in the even-numbered year. A licensee shall show proof of  
17 compliance to the commissioner within sixty (60) days after the continuing  
18 education biennial compliance date. If the licensee has not held the license for  
19 one (1) year, the compliance date is adjusted to the next even-numbered year  
20 and each subsequent even-numbered year thereafter. If the license becomes  
21 inactive and reissued within a twelve (12) month period, the compliance date  
22 shall remain the same;
- 23 (b) A licensee whose birth date is in an odd-numbered year shall satisfy  
24 continuing education requirements and show proof of compliance to the  
25 commissioner on or before the last day of the licensee's birth month in the  
26 odd-numbered year. A licensee shall show proof of compliance to the  
27 commissioner within sixty (60) days after the continuing education biennial

1 compliance date. If the licensee has not held the license for one (1) year, the  
2 compliance date is adjusted to the next odd-numbered year and each  
3 subsequent odd-numbered year thereafter. If the license becomes inactive and  
4 reissued within a twelve (12) month period, the compliance date shall remain  
5 the same.

6 (3) This section shall not apply to:

7 (a) Limited lines of authority under agent licenses, as exempted by the  
8 commissioner in accordance with KRS 304.9-230;

9 (b) Licensees not licensed for one (1) full year prior to the end of the applicable  
10 continuing education biennium;

11 (c) Licensees holding nonresident licenses who have met the continuing  
12 education requirements of their home state and whose home state gives credit  
13 to Kentucky resident licensees on the same basis; or

14 (d) Licensees maintaining their licenses for the sole purpose of receiving renewals  
15 or deferred commissions and providing the department with a supporting  
16 affidavit.

17 (4) A licensee, who holds an agent license and who is not exempt under subsection (3)  
18 of this section, shall satisfactorily complete a minimum of twenty-four (24) hours of  
19 continuing education courses, of which three (3) hours shall have a course  
20 concentration in ethics, during each continuing education biennium.

21 (5) Beginning July 31, 2012, an individual who holds an independent or public adjuster  
22 license and who is not exempt under KRS 304.9-430 (10) or (11)~~[(9) or (10)]~~, shall  
23 satisfactorily complete a minimum of twenty-four (24) hours of continuing  
24 education courses, of which three (3) hours shall have a course concentration in  
25 ethics in accordance with subsection (4) of this section. Continuing education hours  
26 shall be reported to the commissioner on a biennial basis in conjunction with the  
27 licensee's renewal in accordance with subsection (10) of this section.

- 1 (6) Only continuing education courses approved by the commissioner shall be used to  
2 satisfy the continuing education requirement of subsection (4) of this section and  
3 any other continuing education requirement of this chapter.
- 4 (a) The continuing education courses which meet the commissioner's standards  
5 for continuing education requirements are:
- 6 1. Any part of the Life Underwriter Training Council life course  
7 curriculum;
  - 8 2. Any part of the Health Underwriter Training Council health course  
9 curriculum;
  - 10 3. Any part of the American College Chartered Life Underwriter diploma  
11 curriculum;
  - 12 4. Any part of the American Institute for Property and Liability  
13 Underwriters' chartered property and casualty underwriter profession  
14 designation program;
  - 15 5. Any part of the Insurance Institute of America's programs;
  - 16 6. Any part of the certified insurance counselor program;
  - 17 7. Any insurance related course taught at an accredited college or  
18 university, if the course is approved by the commissioner;
  - 19 8. Any course of instruction or seminar developed or sponsored by any  
20 authorized insurer, recognized agent association, recognized insurance  
21 trade association, or any independent program of instruction, if approved  
22 by the commissioner;
  - 23 9. Any correspondence course approved by the commissioner; and
  - 24 10. Any course in accordance with provisions of reciprocal agreements the  
25 commissioner enters with other states.
- 26 (b) The commissioner shall prescribe the number of hours of continuing  
27 education credit for each continuing education course approved in accordance

- 1 with this subsection. Continuing education courses submitted in accordance  
2 with a reciprocal agreement shall be approved according to the provisions of  
3 the reciprocal agreement.
- 4 (c) If a continuing education course requires successful completion of a written  
5 examination, no continuing education credit shall be given to licensees who  
6 do not successfully complete the written examination.
- 7 (d) The fee for filing continuing education courses for approval by the  
8 commissioner shall be as specified in Subtitle 4 of KRS Chapter 304.
- 9 (e) For continuing education courses of reciprocal states, continuing education  
10 providers shall be approved in accordance with the provisions of the  
11 reciprocal agreements.
- 12 (7) An individual teaching any approved continuing education course shall qualify for  
13 the same number of hours of continuing education credit as would be granted to a  
14 licensee taking and satisfactorily completing the course.
- 15 (8) Excess credit hours accumulated during any continuing education biennium may be  
16 carried forward. The commissioner may, by regulation, limit the number of hours  
17 carried forward.
- 18 (9) For good cause shown, the commissioner may grant an extension of time during  
19 which the continuing education requirement of subsection (2) of this section may be  
20 completed, but the extension of time shall not exceed two (2) years. What  
21 constitutes good cause for the extension of time rests within the discretion of the  
22 commissioner.
- 23 (10) Every licensee subject to this section shall furnish to the commissioner written  
24 certification as to the continuing education courses satisfactorily completed by the  
25 licensee. The certification shall be signed by or on behalf of the provider sponsoring  
26 the continuing education course. The certification shall be on a form prescribed by  
27 the commissioner.



- 1 (11) The provider shall furnish to the commissioner certification as to the continuing  
 2 education courses satisfactorily completed by each licensee. The certification shall  
 3 be signed or authenticated by or on behalf of the provider sponsoring the continuing  
 4 education course. The certification shall be on a form or in a format prescribed by  
 5 the commissioner.
- 6 (12) The license or line of authority requiring continuing education shall expire if the  
 7 individual holding the license or line of authority fails to comply with the  
 8 continuing education requirement and has not been granted an extension of time to  
 9 comply in accordance with subsection (9) of this section. If the license has expired,  
 10 the license shall be promptly surrendered to the commissioner without demand. If  
 11 the line of authority has terminated but another line of authority not requiring  
 12 continuing education is still in effect, the license shall be promptly delivered to the  
 13 commissioner for reissuance as to the line of authority still in effect.
- 14 (13) The license of any individual subject to the continuing education requirement shall  
 15 be suspended or revoked, a civil penalty imposed, or both, in accordance with KRS  
 16 304.9-440, if the individual submits to the commissioner a false or fraudulent  
 17 certificate of compliance with the continuing education requirement.
- 18 (14) (a) The commissioner may withdraw approval of a continuing education provider,  
 19 course, or instructor for good and just cause.
- 20 (b) In addition to or in lieu of withdrawal of approval, the commissioner may  
 21 impose a civil penalty of not more than one thousand dollars (\$1,000) per  
 22 violation of this chapter by a provider or an instructor.
- 23 ➔Section 6. KRS 304.9-436 is amended to read as follows:
- 24 (1) An authorized insurer shall not do business in Kentucky with an adjuster who is  
 25 unlicensed in violation of KRS 304.9-080 and 304.9-430. This section shall not  
 26 apply to transactions between an authorized insurer and persons providing adjusting  
 27 services pursuant to KRS 304.9-430 **(10), (11), and (13)**~~[(9), (10), and (12)]~~.

- 1 (2) An authorized insurer shall not do business in Kentucky with an administrator who  
2 is not licensed in accordance with KRS 304.9-052. This subsection shall not apply  
3 to transactions between an authorized insurer and persons providing administrator  
4 services pursuant to KRS 304.9-051.