



## WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

**2007 Wisconsin Act 169**  
[2007 Assembly Bill 501]

**Insurance Agent Licensing**

2007 Wisconsin Act 169 makes the following changes to statutes relating to licensing of insurance intermediaries (commonly referred to as agents):

### **REVOCATION AND REINSTATEMENT OF AGENT'S LICENSE**

Under prior law, the license of an agent who failed to provide evidence of compliance with continuing education (CE) requirements when due or failed to pay the license fee when due was suspended. If the agent failed to provide this CE evidence or pay this fee within 60 days after the suspension, the license was revoked. Also, the license was revoked if the Department of Revenue certified that the agent was liable for delinquent taxes. According to the Legislative Reference Bureau analysis to the bill which was enacted as Act 169, if a license was revoked for these reasons, the agent was required to satisfy all requirements for initial licensure in order to be relicensed. Moreover, prior law provided that a revocation order could specify a time, not to exceed five years, within which the agent could not reapply for a license (with the default being five years if no time was specified). This did not apply to a revocation based on failure to pay a fee, as immediate reapplication was permitted for such revocations.

Act 169 provides that failure to timely provide evidence of CE requirement compliance or to pay a fee when due results in automatic revocation, rather than suspension for 60 days before revocation as under prior law. At least 60 days before this automatic revocation is to occur, the Commissioner of Insurance (Commissioner) must notify the agent, by first-class mail, of the date the evidence of CE compliance must be provided or the fee paid and that revocation will occur if the evidence is not provided or fee paid by that date.

Under the Act, if a revocation occurs because of failure to timely provide evidence of CE compliance or to pay the fee or if revocation occurs because of delinquent taxes, the agent may have his or her license reinstated within 12 months after the revocation *without* having to satisfy any prelicensing education or examination requirements. However, the agent must satisfy the requirements for which the license was revoked, apply for reinstatement, and pay the application fee for original licensure.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents at the Legislature's Web site at: <http://www.legis.state.wi.us/>.

If the license is not reinstated within 12 months, the agent may be relicensed only by satisfying the requirements that apply to initial licensure, including requirements that the Commissioner specifies by administrative rule.

The Act provides that a revocation order based on failure to comply with CE requirements or on delinquent taxes may no longer specify a time within which the agent cannot reapply for a license. Reapplication can be immediate, as under the current law which permits immediate reapplication following revocation for failure to pay a fee.

Act 169 provides that, if an agent's license is suspended because the agent is delinquent in court-ordered payments for child or family support, maintenance, birth expenses, medical expenses, or other expenses related to the support of a child or former spouse or because the agent failed to comply with a subpoena or warrant related to paternity or child support proceedings, the license may be reinstated by satisfying the requirement that led to the suspension and satisfactorily completing a reinstatement application and paying the application fee for original licensure.

The Act also provides that, if an agent changes residency from one state to another, the license is revoked 60 days after the residency change. Relicensure is permitted only by satisfying the requirements that apply to initial licensure.

#### **ELIMINATION OF CERTAIN FEES**

The Act eliminates fees for: a duplicate agent's license; preparing and furnishing an agent's letter of certification; and preparing and furnishing an agent's letter of clearance.

#### **FINGERPRINTING**

Act 169 authorizes the Commissioner to require, by administrative rule, that if a natural person who is a state resident applies for a license to act as an agent, the person must provide fingerprints as an additional condition of granting that license. The Commissioner is authorized to use the fingerprints, if they are required, to conduct a state and national criminal history background investigation of the applicant.

***Effective Date:*** April 9, 2008.

***Initial Applicability Provisions:*** The initial applicability provisions of Act 169 are as follows:

- Provisions relating to reinstatement after revocation for failure to comply with CE requirements, failure to pay fees, or delinquent taxes apply on April 9, 2008: (a) to agents whose licenses were revoked before April 9, 2008 (even if an order prohibited reapplication before a certain date); and (b) to agents whose licenses are revoked on or after April 9, 2008.
- Provisions relating to intermediaries who change residence from one state to another apply when a change of residence occurs on or after April 9, 2008.
- Provisions relating to the elimination of certain fees apply to requests received by the Office of the Commissioner of Insurance on or after April 9, 2008.

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