Senate Engrossed House Bill

FILED

JANICE K. BREWER
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CHAPTER 163

HOUSE BILL 2031

AN ACT

AMENDING SECTIONS 20-281, 20-285, 20-295, 20-296, 20-411, 20-488, 20-1243.04 AND 20-2662, ARIZONA REVISED STATUTES; RELATING TO INSURANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

Be it enacted by the Legislature of the State of Arizona:

Section 1. Section 20-281, Arizona Revised Statutes, is amended to read:

20-281. Definitions

In this article, unless the context otherwise requires:

1. "Business entity" means any corporation, association, partnership, limited liability company, limited liability partnership or other legal entity except an individual or sole proprietorship.

2. "Designated producer" means the individual insurance producer that a business entity designates pursuant to section 20-285, subsection ~~D~~ C, paragraph 3 as the individual responsible for the business entity's compliance with the insurance laws of this state.

3. "Health or sickness insurance" means disability insurance as defined in section 20-253.

4. "Home state" means the District of Columbia and any state or territory of the United States in which:

(a) An individual insurance producer maintains a principal place of residence or principal place of business and is licensed to act as a resident insurance producer.

(b) A business entity insurance producer maintains its principal place of business and is licensed to act as a resident insurance producer.

5. "Insurance producer" means a person required to be licensed under this article to sell, solicit or negotiate insurance.

6. "Limited line credit insurance" means any form of insurance that is offered in connection with an extension of credit and that is limited to partially or wholly extinguishing that credit obligation, including credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed asset or automobile protection insurance and any other form of insurance that is offered in connection with an extension of credit, that is limited to partially or wholly extinguishing that credit obligation and that the director determines should be designated a form of limited line credit insurance.

7. "Limited line insurance" means limited line credit insurance, travel accident ticket and baggage insurance and any other line of insurance that the director deems necessary to recognize for the purposes of complying with section 20-287, subsection C, paragraph 2.

8. "Major line insurance" means life insurance, accident and health or sickness insurance, property insurance, casualty insurance, PERSONAL LINES INSURANCE and variable insurance contracts, as described in section 20-286.

9. "Member" means, if used in reference to a business entity, a person that holds an ownership interest in the business entity, excluding any interest in publicly traded securities and any interest of less than ten per cent of the voting rights.

10. "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms or conditions of the contract if the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.

11. "Nonresident" means a person whose home state is not Arizona.

12. "Person" means an individual or a business entity.

13. "Resident" means a person whose home state is Arizona and who does not hold a resident insurance producer license in another state or territory of the United States or in the District of Columbia.

14. "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurer.

15. "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

16. "Travel accident ticket and baggage insurance producer" means a ticket selling agent or other representative of a common carrier who solicits or sells only over-the-counter, short-term, nonrenewable travel accident, ticket and baggage insurance.

Sec. 2. Section 20-285, Arizona Revised Statutes, is amended to read:

20-285. Application for license

A. A person who applies for a resident insurance producer license shall apply to the director on a form prescribed by the director and shall declare under penalty of denial, suspension or revocation of the license that the statements made in the application are true, correct and complete to the best of the knowledge and belief of the applicant or the applicant's duly authorized representative. The applicant shall provide information concerning the applicant's identity, personal history, business record~~,~~ AND experience in insurance ~~and purposes for which the license is to be used~~ and any other pertinent fact the director requires.

B. Before the director approves the application of the individual, the director shall find that the individual:

1. Is at least eighteen years of age.

2. Has not committed any act that is a ground for denial, suspension or revocation prescribed in section 20-295.

3. Has paid the fees prescribed in section 20-167.

4. Has successfully passed the examinations for the lines of authority for which the individual has applied.

~~5. Will not use or does not intend to use the license principally for the purpose of procuring insurance that covers:~~

~~(a) The individual.~~

~~(b) The members of the individual's family or the individual's relatives to the second degree.~~

~~(c) The individual's property or insurable interests.~~

~~(d) The property or insurable interests of the individual's relatives to the second degree, employer or employees or a firm or corporation in which~~

~~the individual owns a substantial interest or the employees of that firm or corporation.~~

~~(e) Property or insurable interests for which the individual or the individual's relatives to the second degree, employer, firm or corporation is the bailee, trustee or receiver.~~

~~C. For the purposes of subsection B, paragraph 5 of this section, a vendor's or lender's interest in property that is sold or is being sold under a contract or that is the security for any loan is not property or an insurable interest of that vendor or lender.~~

~~D.~~ C. Before the director approves the application of a business entity, the director shall find that the business entity:

1. Has paid the fees prescribed in section 20-167.

2. Will be acting within the scope of its partnership agreement, articles of incorporation or other chartering documents when the business entity transacts business under the license.

3. Has designated an individually licensed insurance producer who is responsible for the business entity's compliance with the insurance laws of this state.

~~E.~~ D. The application of a business entity shall also include the names of all members, officers and directors of the business entity. For any individual who is identified pursuant to this subsection and pursuant to subsection ~~D~~ C, paragraph 3 of this section, the director may require the applicant to provide the information required for a license as an individual.

~~F.~~ E. Before the director grants a license, the director may require the applicant to:

1. Provide any document that is reasonably necessary to verify the information that is contained in an application and other information including prior criminal records.

2. Submit a full set of fingerprints to the department. The department of insurance shall submit the fingerprints to the department of public safety for the purpose of obtaining a state and federal criminal records check pursuant to section 41-1750 and Public Law 92-544. The department of public safety may exchange this fingerprint data with the federal bureau of investigation.

~~G.~~ F. A nonresident person who is licensed as an insurance producer in another state, who becomes a resident of this state and who continues to act as an insurance producer shall apply to become a resident licensee pursuant to this section within ninety days.

Sec. 3. Section 20-295, Arizona Revised Statutes, is amended to read:

20-295. <u>License denial, suspension or revocation; civil penalty</u>

A. The director may deny, suspend for not more than twelve months, revoke or refuse to renew an insurance producer's license or may impose a civil penalty in accordance with subsection F of this section or any combination of actions for any one or more of the following causes:

1. Providing incorrect, misleading, incomplete or materially untrue information in the license application.

2. Violating any provision of this title or any rule, subpoena or order of the director.

3. Obtaining or attempting to obtain a license through misrepresentation or fraud.

4. Improperly withholding, misappropriating or converting any monies or properties received in the course of doing insurance business.

5. Intentionally misrepresenting the terms of an actual or proposed insurance contract or application for insurance.

6. Having been convicted of a felony.

7. Having admitted or been found to have committed any insurance unfair trade practice or fraud.

8. Using fraudulent, coercive or dishonest practices, or demonstrating incompetence, untrustworthiness or financial irresponsibility in the conduct of business in this state or elsewhere.

9. Having an insurance producer license, or its equivalent, denied, suspended or revoked in any state, province, district or territory.

10. Forging another's name to any document related to an insurance transaction.

11. Aiding or assisting any person in the unauthorized transaction of insurance business.

12. Violating section 41-624, subsection B or C.

13. Violating section 6-1410, 6-1412 or 6-1413.

14. USING THE INSURANCE PRODUCER'S LICENSE PRINCIPALLY TO PROCURE INSURANCE THAT COVERS THE LIFE, PROPERTY OR INSURABLE INTERESTS, OTHER THAN TO INSURE AN INTEREST IN PROPERTY THAT IS BEING SOLD UNDER A CONTRACT OR THAT IS SECURING A LOAN, OF ANY OF THE FOLLOWING:

(a) THE LICENSEE.

(b) THE LICENSEE'S FAMILY OR RELATIVES TO THE SECOND DEGREE.

(c) THE LICENSEE'S EMPLOYER.

(d) THE LICENSEE'S EMPLOYEES.

(e) A FIRM OR CORPORATION, OR ITS EMPLOYEES, IN WHICH THE LICENSEE OWNS A SUBSTANTIAL INTEREST.

B. The director may deny, suspend for not more than twelve months, revoke or refuse to renew the license of a business entity:

1. For any of the causes prescribed in subsection A of this section if the cause relates to the designated producer or any member, officer, director or manager of the business entity.

2. If the director finds that an individual insurance producer's violation was known or should have been known by the designated producer or one or more of the members, officers, directors or managers acting on behalf of the business entity and the violation was not seasonably reported to the director and no reasonable corrective action was taken.

C. If the director denies an application for a license, the director shall notify the applicant in accordance with title 41, chapter 6, article 10.

D. The director may revoke, suspend or refuse to renew a license after notice and an opportunity for a hearing in accordance with title 41, chapter 6, article 10.

E. Any hearing required by this section shall be conducted as prescribed in chapter 1, article 2 of this title and title 41, chapter 6, article 10.

F. In addition to or instead of any suspension, revocation or refusal to renew a license pursuant to this section, after a hearing the director may:

1. Impose a civil penalty of not more than two hundred fifty dollars for each unintentional failure or violation, up to an aggregate civil penalty of two thousand five hundred dollars.

2. Impose a civil penalty of not more than two thousand five hundred dollars for each intentional failure or violation, up to an aggregate civil penalty of fifteen thousand dollars.

3. Order the licensee to provide restitution to any party injured by the licensee's action.

G. The licensee shall pay any civil penalty to the director who shall deposit it, pursuant to sections 35-146 and 35-147, in the state general fund. The civil penalty is in addition to any other applicable penalty or restraint either in this article or in any other law and may be recovered in a civil action brought by the director. For the purposes of subsection F of this section, a single publication, exhibition or utterance of any matter in violation of this title is deemed one violation or failure, including an edition of a newspaper, book or magazine, a single representation to an audience, a single broadcast over radio or television or a single exhibition of a motion picture.

H. The director shall retain the authority to enforce this title and impose any penalty or remedy authorized by this title against any person who is under investigation for or charged with a violation of this title even if the person's license has been surrendered or has lapsed by operation of law.

Sec. 4. Section 20-296, Arizona Revised Statutes, is amended to read:

20-296. <u>Effect of suspension or revocation of license</u>

~~A. On suspension or revocation of the license the licensee shall deliver the license to the director.~~

~~B.~~ A. The director shall not again issue any license under this title to any person whose license has been revoked until one year after the revocation and the person again qualifies in accordance with the applicable provisions of this title.

~~C.~~ B. If the license of a business entity is suspended or revoked, a member, officer or director of or designated producer for the business entity shall not be issued a license or serve as the designated producer for any

licensee during the period of the suspension or revocation unless the director determines that the member, officer, director or designated producer was not personally at fault and did not acquiesce in the matter that resulted in the suspension or revocation of the license.

Sec. 5. Section 20-411, Arizona Revised Statutes, is amended to read:

20-411. Licensing of surplus lines broker; examination

A. A person shall not act as a surplus lines broker in this state unless the person has a current surplus lines broker license issued by the director.

B. Any individual who is a resident of this state and who is licensed as a resident insurance producer authorized for property or casualty insurance in this state may also be licensed as a resident surplus lines broker if the director determines that the insurance producer is competent and trustworthy. The director shall prescribe and furnish application forms.

C. Each individual applicant for an original license as a resident surplus lines broker or for renewal of a resident surplus lines broker license who has not previously taken and passed a surplus lines broker license examination in this state shall take and pass to the director's satisfaction a written examination given by or under the supervision of the director. The examination shall reasonably test the applicant's knowledge of surplus lines insurance and the legal responsibilities of a surplus lines broker.

D. The director may issue a resident surplus lines broker license to any business entity that is licensed as a resident property or casualty insurance producer in this state and that satisfies all of the requirements prescribed by section 20-285, subsections ~~D~~ C and ~~E~~ D.

E. At least one individual in each office or place where surplus lines insurance is transacted in this state shall be licensed pursuant to this title as either an insurance producer authorized for property or casualty insurance or a managing general agent for property or casualty insurance, and shall be licensed pursuant to this article as a surplus lines broker.

F. The license prescribed in this section shall expire and be subject to renewal coincidental to, and in the same manner as, other insurance license authority as prescribed in section 20-289. The director shall charge the surplus lines broker license fee prescribed in section 20-167, except that, from and after June 30, 2005, a licensee adding surplus lines broker authority to an existing insurance license shall be charged one-half the surplus lines broker license fee if less than two years remain in the term of the existing insurance license as of the date the director receives the application to add surplus lines broker authority to the existing insurance license.

G. To the extent not inconsistent with this article, section 20-281, section 20-283, subsection B, paragraph 6, section 20-286, subsection C and sections 20-287, 20-289, 20-291, 20-292, 20-295, 20-296, 20-297, 20-298, 20-299, 20-300, 20-301 and 20-302 apply to surplus lines brokers.

Sec. 6. Section 20-488, Arizona Revised Statutes, is amended to read:

20-488. Definitions

In this article, unless the context otherwise requires:

1. "Adjusted RBC report" means a report that has been adjusted by the director in accordance with section 20-488.01.

2. "Authorized control level event" means any of the following events:

(a) The filing of an RBC report by the insurer indicating that the insurer's total adjusted capital is more than or equal to its mandatory control level RBC but less than its authorized control level RBC.

(b) The notification by the director to the insurer of an adjusted RBC report that indicates the event under subdivision (a) of this paragraph, unless the insurer challenges the adjusted RBC report under section 20-488.06.

(c) If the insurer challenges an adjusted RBC report that indicates the event under subdivision (a) of this paragraph, the notification by the director to the insurer that the director, after a hearing, has rejected the insurer's challenge.

(d) The failure of the insurer to satisfactorily respond to a corrective order, unless the insurer has challenged the corrective order under section 20-488.06.

(e) If the insurer challenges a corrective order and, after a hearing, the director rejects the challenge or modifies the corrective order, the failure of the insurer to satisfactorily respond to the corrective order after its modification or the rejection of the challenge by the director.

3. "Authorized control level RBC" means the number determined under the risk-based capital formula in accordance with the RBC instructions.

4. "Company action level event" means any of the following:

(a) The filing of an RBC report by an insurer indicating either that:

(i) The insurer's total adjusted capital is more than or equal to its regulatory action level RBC but less than its company action level RBC.

(ii) If the insurer is a life or health insurer, the insurer's total adjusted capital is more than or equal to its company action level RBC but less than the product of its authorized control level RBC and 2.5 and has a negative trend.

(iii) IF THE INSURER IS A PROPERTY AND CASUALTY INSURER, THE INSURER'S TOTAL ADJUSTED CAPITAL IS MORE THAN OR EQUAL TO ITS COMPANY ACTION LEVEL RBC BUT LESS THAN THE PRODUCT OF ITS AUTHORIZED CONTROL LEVEL RBC AND 3.0 AND HAS A NEGATIVE TREND.

(b) The notification by the director to the insurer of an adjusted RBC report that indicates ~~either~~ ANY of the events under subdivision (a) of this paragraph, unless the insurer challenges the adjusted RBC report under section 20-488.06.

(c) If the insurer challenges an adjusted RBC report that indicates either of the events under subdivision (a) of this paragraph, the

notification by the director to the insurer that the director, after a hearing, has rejected the insurer's challenge.

5. "Company action level RBC" means, with respect to any insurer, the product of 2.0 and its authorized control level RBC.

6. "Corrective order" means an order that is issued by the director and that specifies corrective actions that the director has determined are required.

7. "Domestic insurer" means a life or health insurer, property or casualty insurer or health organization that is authorized to transact insurance business in this state and that is organized in this state.

8. "Foreign insurer" means a life or health insurer, property or casualty insurer or health organization that is authorized to transact insurance business in this state but that is not domiciled in this state.

9. "Health organization" means a hospital service corporation, medical service corporation, dental service corporation or optometric service corporation or a hospital, medical, dental and optometric service corporation that has a certificate of authority pursuant to chapter 4, article 3 of this title, a prepaid dental plan organization that has a certificate of authority pursuant to chapter 4, article 7 of this title or a health care services organization that has a certificate of authority pursuant to chapter 4, article 9 of this title.

10. "Life or health insurer" means an insurer authorized to transact life insurance, annuities or accident and health insurance in this state, or an authorized property or casualty insurer writing only accident and health insurance, but does not include fraternal benefit societies, hospital, medical, dental and optometric service corporations, health care services organizations or prepaid dental plan organizations.

11. "Mandatory control level event" means any of the following:

(a) The filing of an RBC report by the insurer indicating that the insurer's total adjusted capital is less than its mandatory control level RBC.

(b) The notification by the director to the insurer of an adjusted RBC report that indicates the event under subdivision (a) of this paragraph, unless the insurer challenges the adjusted RBC report under section 20-488.06.

(c) If the insurer challenges an adjusted RBC report that indicates the event under subdivision (a) of this paragraph, the notification by the director to the insurer that the director, after a hearing, has rejected the insurer's challenge.

12. "Mandatory control level RBC" means the product of .70 and the authorized control level RBC.

13. "Negative trend" means, with respect to a life or health insurer, a negative trend over a period of time as determined in accordance with the trend test calculation included in the RBC instructions.

14. "Property or casualty insurer" means an insurer licensed to transact insurance as described in section 20-256 or 20-252, respectively, but does not include monoline mortgage guaranty insurers, financial guaranty insurers and title insurers.

15. "RBC" means risk-based capital.

16. "RBC instructions" means the RBC report, including risk-based capital instructions adopted by the national association of insurance commissioners.

17. "RBC level" means an insurer's company action level RBC, regulatory action level RBC, authorized control level RBC or mandatory control level RBC.

18. "RBC plan" means a comprehensive financial plan containing the elements specified in section 20-488.02, subsection A. If the director rejects the RBC plan and the insurer revises the plan, regardless of the director's recommendation, the plan shall be called the revised RBC plan.

19. "RBC report" means the report required under section 20-488.01.

20. "Regulatory action level event" means, with respect to any insurer, any of the following events:

(a) The filing of an RBC report by the insurer indicating that the insurer's total adjusted capital is more than or equal to its authorized control level RBC but less than its regulatory action level RBC.

(b) The notification by the director to the insurer of an adjusted RBC report that indicates the event under subdivision (a) of this paragraph, unless the insurer challenges the adjusted RBC report under section 20-488.06.

(c) If the insurer challenges an adjusted RBC report that indicates the event under subdivision (a) of this paragraph, the notification by the director to the insurer that the director, after a hearing, has rejected the insurer's challenge.

(d) The failure by the insurer to file an RBC report by the filing date, unless the insurer provides the director with a satisfactory explanation for the failure and cures the failure within ten days after the filing date.

(e) The failure by the insurer to submit an RBC plan to the director within the time period prescribed in section 20-488.02, subsection B.

(f) Notification by the director to the insurer that both:

(i) The RBC plan or revised RBC plan that the insurer submitted is, in the judgment of the director, unsatisfactory.

(ii) If the insurer has not challenged a determination pursuant to section 20-488.06, the notification constitutes a regulatory action level event.

(g) If the insurer challenges pursuant to section 20-488.06 a determination made by the director pursuant to subdivision (f) of this paragraph, the notification by the director to the insurer that the director, after a hearing, has rejected the insurer's challenge.

(h) If the insurer has not challenged the determination pursuant to section 20-488.06, the notification by the director to the insurer that the insurer has failed to adhere to the insurer's RBC plan or revised RBC plan and that states that failure has a substantial adverse effect on the insurer's ability to eliminate the regulatory action level event in accordance with its RBC plan or revised RBC plan.

(i) If the insurer challenges pursuant to section 20-488.06 a determination made by the director pursuant to subdivision (h) of this paragraph, the notification by the director to the insurer that the director, after a hearing, has rejected the insurer's challenge, unless the insurer's failure to adhere to its RBC plan or revised RBC plan does not have a substantial adverse effect on the insurer's ability to eliminate the regulatory action level event.

21. "Regulatory action level RBC" means the product of 1.5 and an insurer's authorized control level RBC.

22. "Total adjusted capital" means the sum of:

(a) An insurer's statutory capital and surplus.

(b) Any other items that the RBC instructions may provide.

Sec. 7. Section 20-1243.04, Arizona Revised Statutes, is amended to read:

20-1243.04. Standards for supervision

A. An insurer shall either assure that a system to supervise recommendations that is reasonably designed to achieve compliance with this article is established and maintained by complying with subsections C, D and E, or establish and maintain such a system. Such a system includes:

1. Maintaining written procedures.

2. Conducting periodic reviews of records that are reasonably designed to assist in detecting and preventing violations of this article.

B. A managing general agent and business entity shall either adopt a system THAT IS established by an insurer to supervise recommendations of its insurance producers AND that is reasonably designed to achieve compliance with this article or establish and maintain such a system. Such a system includes:

1. Maintaining written procedures.

2. Conducting periodic reviews of records that are reasonably designed to assist in detecting and preventing violations of this article.

C. An insurer may contract with a third party, including a managing general agent or business entity, to establish and maintain a system of supervision as required by subsection A with respect to insurance producers under contract with or employed by the third party.

D. An insurer shall make reasonable inquiry to assure that the third party contracting under subsection C is performing the functions required under subsection A and shall take such action as is reasonable under the circumstances to enforce the contractual obligation to perform the functions.

An insurer may comply with the obligation to make reasonable inquiry by doing both of the following:

1. Annually obtaining a certification from a third party senior manager who has responsibility for the delegated functions that the manager has a reasonable basis to represent, and does represent, that the third party is performing the required functions.

2. Based on reasonable selection criteria, periodically select third parties contracting under subsection C for a review to determine if the third parties are performing the required functions. The insurer shall perform those procedures to conduct the review that are reasonable under the circumstances.

E. An insurer that contracts with a third party pursuant to subsection C and that complies with the requirements to supervise in subsection D fulfills its responsibilities under subsection A.

F. An insurer, managing general agent or business entity is not required pursuant to subsection A or B to:

1. Review, or provide for review of, all insurance producer solicited transactions.

2. Include in its system of supervision an insurance producer's recommendations to consumers of products other than the annuities offered by the insurer, managing general agent or business entity.

G. A managing general agent or business entity contracting with an insurer pursuant to subsection C, if requested by the insurer pursuant to subsection D, shall promptly give a certification as described in subsection D or give a clear statement that it is unable to meet the certification criteria.

H. A person shall not provide a certification under subsection D, paragraph 1 unless both of the following apply:

1. The person is a senior manager with responsibility for the delegated functions.

2. The person has a reasonable basis for making the certification.

I. Compliance with the ~~national association of securities dealers~~ FINANCIAL INDUSTRY REGULATORY AUTHORITY conduct rules pertaining to suitability satisfies the requirements under this section for the recommendation of variable annuities. However, this subsection does not limit the director's ability to enforce this article.

Sec. 8. Section 20-2662, Arizona Revised Statutes, is amended to read:

20-2662. Insurance producer qualifications; reports

A. A person may not sell or offer for sale in this state any variable contracts unless the person is licensed as a life insurance producer by the department and files with the director evidence that the person is licensed by the ~~national association of securities dealers~~ FINANCIAL INDUSTRY REGULATORY AUTHORITY as a principal or a registered representative and that the person is authorized to solicit or sell variable contracts by an insurer admitted to transact variable contract business in this state.

B. A person may not sell or offer for sale in this state any variable group contracts unless the person is licensed as a life insurance producer by the department and is authorized to solicit or sell variable group contracts by an insurer who is admitted to transact variable group contract business in this state.

C. Any examination that is administered by the department to determine if a person is eligible for licensing as an insurance producer may include any questions that the director deems appropriate and that concern the history, purpose, regulation and sale of variable contracts or variable group contracts.

D. Any person who is qualified to sell or offer to sell variable contracts or variable group contracts under this article shall immediately report to the director:

1. The suspension or revocation of the insurance producer's license in any other state or territory of the United States.

2. The imposition of any disciplinary sanction, including the suspension or expulsion of the insurance producer from membership, or suspension, revocation or denial of the insurance producer's registration by any national securities exchange, national securities association or federal, state or territorial agency that has jurisdiction over securities or variable contracts.

3. The entry of a judgment or injunction against the insurance producer for conduct involving fraud, deceit or misrepresentation or a violation of any insurance or securities law.

E. The director may reject an application or suspend, revoke or refuse to renew an insurance producer's qualification to sell or offer to sell variable contracts on any ground that would bar the applicant or insurance producer from being licensed to sell other life insurance contracts in this state. The rules that apply to a proceeding relating to the suspension or revocation of an insurance producer's license also apply to a proceeding for the suspension or revocation of an insurance producer's qualification to sell or offer to sell variable contracts.

APPROVED BY THE GOVERNOR MAY 7, 2008.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 7, 2008.