

1 HB103  
2 155505-6  
3 By Representative Sanderford  
4 RFD: Insurance  
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ENROLLED, An Act,

To amend Sections 27-7-4.4, 27-9A-17, and 27-25-4.6, Code of Alabama 1975, relating to the licensing by the Department of Insurance, insurance producers, title insurance agents, and independent adjusters, and authorizing the Commissioner of Insurance to require the submission of fingerprints for the purpose of criminal background checks; to delete all reference to submitting and storing the electronic fingerprint records with the National Association of Insurance Commissioners for retention in a centralized repository and to provide an exception for limited lines producers.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. Sections 27-7-4.4, 27-9A-17, and 27-25-4.6, Code of Alabama 1975, are amended to read as follows:

"§27-7-4.4.

"(a) In order to make a determination of insurance producer license eligibility, the commissioner is authorized to require fingerprints of initial resident applicants for an insurance producer license and to submit the fingerprints and the fee required to perform the criminal history record checks to the Alabama Department of Public Safety and the Federal Bureau of Investigation (FBI) for state and national criminal history record checks.

1           "(b) The commissioner shall require a criminal  
2 history record check on each initial resident applicant for  
3 insurance producer license in accordance with this section.  
4 The commissioner shall require each applicant to submit a full  
5 set of fingerprints, including a scanned file from a hard copy  
6 fingerprint, in order for the commissioner to obtain and  
7 receive national criminal history records from the FBI  
8 Criminal Justice Information Services Division.

9           "(c) The commissioner may contract for the  
10 collection, transmission, and resubmission of fingerprints  
11 required under this section. If the commissioner does so, the  
12 fee for collecting, transmitting, and retaining fingerprints  
13 shall be payable directly to the contractor by the applicant.  
14 The commissioner may agree to a reasonable fingerprinting fee  
15 to be charged by the contractor and both the contractor's fee  
16 and the fee required to perform the criminal history check  
17 shall be collected from the applicant by the contractor.

18           "~~(d) The commissioner may waive submission of~~  
19 ~~fingerprints by any person who has previously furnished~~  
20 ~~fingerprints and those fingerprints are on file with the~~  
21 ~~centralized repository of the NAIC.~~

22           "~~(e)~~ (d) The commissioner is authorized to receive  
23 criminal history record information in lieu of the Alabama  
24 Department of Public Safety that submitted the fingerprints to  
25 the FBI.

1           "~~(f)~~ The commissioner is authorized to submit  
2           electronic fingerprint records and necessary identifying  
3           information to the NAIC for permanent retention in a  
4           centralized repository. The purpose of such a centralized  
5           repository is to provide insurance commissioners with access  
6           to fingerprint records in order to perform criminal history  
7           record checks.

8           "~~(g)~~ (e) The commissioner shall treat and maintain an  
9           applicant's fingerprints and any criminal history record  
10          information obtained under this section as confidential and  
11          shall apply security measures consistent with the Criminal  
12          Justice Information Services Division of the Federal Bureau of  
13          Investigation standards for the electronic storage of  
14          fingerprints and necessary identifying information and limit  
15          the use of records solely to the purposes authorized in this  
16          section. The fingerprints and any criminal history record  
17          information shall not be subject to subpoena, other than one  
18          issued in a criminal action or investigation, and shall be  
19          confidential.

20          "~~(h)~~ (f) As used in this section, initial resident  
21          applicant means an initial home state license and an  
22          additional line of authority under an existing home state  
23          license where a criminal history record check has not been  
24          obtained.

1           "(g) This section shall not apply to limited lines  
2 producers.

3           "~~(i)~~(h) The commissioner may promulgate reasonable  
4 regulations as are necessary or proper to carry out the  
5 purposes of this section in accordance with Chapter 2 of this  
6 title. The commissioner may by regulation provide for the  
7 delayed enforcement of this section for up to 24 months  
8 following ~~January 1, 2013,~~ the effective date of the act  
9 amending this subsection to allow for implementation.

10           "§27-9A-17.

11           "(a) In order to make a determination of license  
12 eligibility, the commissioner may require fingerprints of  
13 applicants and to submit the fingerprints and the fee required  
14 to perform the criminal history record checks to the Alabama  
15 Department of Public Safety and the Federal Bureau of  
16 Investigation for state and national criminal history record  
17 checks.

18           "(b) The commissioner may require a criminal history  
19 record check on each applicant in accordance with this  
20 section. The commissioner shall require each applicant to  
21 submit a full set of fingerprints, including a scanned file  
22 from a hard copy fingerprint, in order for the commissioner to  
23 obtain and receive national criminal history records from the  
24 Criminal Justice Information Services Division of the Federal  
25 Bureau of Investigation. In the case of business entity

1 applicants, the commissioner shall require the submission of  
2 fingerprints of all of the following:

3 "(1) All executive officers and directors of the  
4 applicant.

5 "(2) Any individual owning, directly or indirectly,  
6 51 percent or more of the outstanding voting securities of the  
7 applicant.

8 "(3) All executive officers and directors of  
9 entities owning 51 percent or more of the outstanding voting  
10 securities of the applicant.

11 "(c) The commissioner may contract for the  
12 collection, transmission, and resubmission of fingerprints  
13 required under this section. If the commissioner does so, the  
14 fee for collecting, transmitting, and retaining fingerprints  
15 shall be payable directly to the contractor by the person. The  
16 commissioner may agree to a reasonable fingerprinting fee to  
17 be charged by the contractor.

18 ~~"(d) The commissioner may waive submission of~~  
19 ~~fingerprints by any person that has previously furnished~~  
20 ~~fingerprints and those fingerprints are on file with the~~  
21 ~~centralized repository of the NAIC.~~

22 ~~"(e)~~ (d) The commissioner may receive criminal  
23 history record information from the Federal Bureau of  
24 Investigation in lieu of the information being submitted to  
25 the Alabama Department of Public Safety.

1           "~~(f)~~ The commissioner may submit electronic  
2 fingerprint records and necessary identifying information to  
3 the NAIC for permanent retention in a centralized repository.  
4 The purpose of such a centralized repository is to provide  
5 insurance commissioners with access to fingerprint records in  
6 order to perform criminal history record checks.

7           "~~(g)~~ (e) The commissioner shall treat and maintain an  
8 applicant's fingerprints and any criminal history record  
9 information obtained under this section as confidential and  
10 shall apply security measures consistent with the Criminal  
11 Justice Information Services Division of the Federal Bureau of  
12 Investigation standards for the electronic storage of  
13 fingerprints and necessary identifying information and limit  
14 the use of records solely to the purposes authorized in this  
15 section. The fingerprints and any criminal history record  
16 information shall not be subject to subpoena, other than one  
17 issued in a criminal action or investigation, and shall be  
18 confidential.

19           "(f) The commissioner, by regulation, may provide  
20 for the delayed enforcement of this section for up to 24  
21 months following the effective date of the act adding this  
22 subsection to allow for implementation.

23           "§27-25-4.6.

24           "(a) In order to make a determination of title  
25 insurance agent license eligibility, the commissioner may

1 require fingerprints of initial applicants for a title  
2 insurance agent license, and the fingerprints and the fee  
3 required to perform the criminal history record checks shall  
4 be submitted to the Alabama Department of Public Safety and  
5 the Federal Bureau of Investigation (FBI) for state and  
6 national criminal history record checks.

7 "(b) The commissioner shall require a criminal  
8 history record check on each initial applicant for title  
9 insurance agent license pursuant to this section. The  
10 commissioner shall require each applicant to submit a full set  
11 of fingerprints, including a scanned file from a hard copy  
12 fingerprint, to allow the commissioner to obtain and receive  
13 national criminal history records from the FBI Criminal  
14 Justice Information Services Division.

15 "(c) The commissioner may contract for the  
16 collection, transmission, and resubmission of fingerprints  
17 required pursuant to this section, and the fee for collecting,  
18 transmitting, and retaining fingerprints shall be payable  
19 directly to the contractor by the applicant. The commissioner  
20 may agree to a reasonable fingerprinting fee to be charged by  
21 the contractor, and both the contractor's fee and the fee  
22 required to perform the criminal history check shall be  
23 collected from the applicant by the contractor.

24 ~~"(d) The commissioner may waive submission of~~  
25 ~~fingerprints by any person that has previously furnished~~

1 ~~fingerprints and those fingerprints are on file with the~~  
2 ~~centralized repository of the NAIC.~~

3 ~~"(e)(d)~~ The criminal history record information may  
4 be submitted to the commissioner instead of the Alabama  
5 Department of Public Safety.

6 ~~"(f)~~ The commissioner may submit electronic  
7 fingerprint records and necessary identifying information to  
8 the NAIC for permanent retention in a centralized repository.  
9 The purpose of a centralized repository is to provide  
10 insurance commissioners with access to fingerprint records to  
11 perform criminal history record checks.

12 ~~"(g)(e)~~ The commissioner shall treat and maintain an  
13 applicant's fingerprints and any criminal history record  
14 information obtained pursuant to this section as confidential  
15 and shall apply security measures consistent with the Criminal  
16 Justice Information Services Division of the Federal Bureau of  
17 Investigation standards for the electronic storage of  
18 fingerprints and necessary identifying information and limit  
19 the use of records solely to the purposes authorized in this  
20 section. The fingerprints and any criminal history record  
21 information shall not be subject to subpoena, other than one  
22 issued in a criminal action or investigation, and shall be  
23 confidential.

24 "(f) The commissioner, by regulation, may provide  
25 for the delayed enforcement of this section for up to 24

1       months from the effective date of the act adding this  
2       subsection to allow for delayed implementation."

3               Section 2. This act shall become effective  
4       immediately following its passage and approval by the  
5       Governor, or its otherwise becoming law.

