

Civil And Criminal Charges And Convictions

**COMMONWEALTH OF KENTUCKY
ENVIRONMENTAL AND PUBLIC PROTECTION CABINET
OFFICE OF INSURANCE**

The following Advisory Opinion is to advise the reader of the current position of the Kentucky Office of Insurance (the "Office") on the specified issue. The Advisory Opinion is not legally binding on either the Office or the reader.

Kentucky Office of Insurance
Advisory Opinion 2005-01 (Amended)

TO: ALL INSURERS AUTHORIZED TO TRANSACT BUSINESS IN KENTUCKY
THE INDEPENDENT INSURANCE AGENTS OF KENTUCKY, INC.
THE PROFESSIONAL INSURANCE AGENTS OF KENTUCKY
ALL AGENTS LICENSED TO TRANSACT BUSINESS IN KENTUCKY

FROM: MARTIN J. KOETTERS, EXECUTIVE DIRECTOR
KENTUCKY OFFICE OF INSURANCE

RE: CIVIL AND CRIMINAL CHARGES AND CONVICTIONS

The Kentucky Office of Insurance [Office] monitors civil and criminal actions involving its licensees. License applications, appointments, or any other licensing activity all trigger a record search through the National Producer Database to confirm that the licensee does not have any unreported civil or criminal violations on the record.

Licensees have a duty to report civil and criminal violations in writing to this Office. The following actions are to be reported pursuant to KRS 304.9-467:

1. The licensee's license to conduct insurance, securities, real estate, financial or financial planning business of any kind in this state or another state is surrendered or terminated under threat of disciplinary action, refused, suspended, revoked, or renewal of continuance is denied.

- The licensee shall report administrative action against the licensee in another state or by another agency in Kentucky within 30 days of the final disposition of the matter.
- The report shall include a written statement identifying the type of license and describing the incident.
- The report shall include a copy of the charge and a copy of the final judgment.

2. Any criminal charge, complaint, information, or indictment against the licensee in any jurisdiction within 30 days of service.

- The licensee shall submit a written statement explaining the circumstances of each incident.
- The statement shall include a copy of the charge and a copy of the final judgment.
- If the criminal charge is not resolved within 30 days after initial service, the licensee shall submit a copy of the final judgment within 30 days of entry of judgment.

A licensee who fails to comply with KRS 304.9-467 faces administrative penalties, including but not limited to, a civil fine up to \$1,000, and/or the probation, suspension, or revocation of insurance licenses pursuant to KRS 304.9-440.

Applicants are also required to disclose civil and criminal charges and convictions on the license application. The applicant must disclose convictions and current charges (whether or not adjudication was withheld), except for misdemeanor traffic offenses and juvenile offenses. Errors, misrepresentations, or omissions on the application may result in the denial or rejection of the application and/or an administrative action against the applicant's other insurance licenses, including but not limited to, a civil fine up to \$1,000, and/or the probation, suspension, or revocation of insurance licenses pursuant to KRS 304.9-440. Inaccurate, misleading information, statements, or omissions may also constitute criminal violations under State or Federal Law.

Licensees should submit the civil and criminal reports under KRS 304.9-467 to:

ATTN: Civil/Criminal Violation Reports
Agent Licensing Division
909 Leawood Drive
Frankfort, Kentucky 40601

/s/ Martin J. Koettters
Martin J. Koettters, Executive Director
Kentucky Office of Insurance

March 3, 2005