

LICENSING OF CREDIT INSURANCE AGENTS

July 1, 1998

Various persons and entities, including but not limited to, lending institutions, credit unions, and businesses are routinely engaged in transactions involving the sale of credit life and credit accident and health insurance in Indiana. It has come to the attention of the Department of Insurance that a previous unpublished "Bulletin" drafted by the Indiana Department of Insurance in 1988 continues to cause confusion concerning licensing requirements for these entities and/or persons. The purpose of this Bulletin is to alleviate this confusion.

Indiana's insurance agent licensing statute requires that a person must be duly licensed as an insurance agent in order to make application for, procure, negotiate for, or place for others, any policies for any kinds of insurance. If a person is engaged solely in the sale of credit insurance, a limited insurance representative license is available. However, a license is not required of the following persons:

Persons who secure and furnish information for the purpose of group or wholesale life insurance, or annuities, or group, blanket or franchise health insurance, or for enrolling individuals under such plans or issuing certificates thereunder or otherwise assisting in administering such plans, where no commission is paid for such service, IC 27-1-15.5-3(g)(2) (emphasis added).

The previous unpublished "Bulletin" drafted by the Department of Insurance required one individual at each location where credit insurance is sold or solicited to be licensed, regardless of whether the coverage was individual or group and regardless of whether commission was being paid. As this position is inconsistent with IC 27-1-15.5-3(g)(2), it is withdrawn.

Unless a specific exemption exists in Indiana law, a limited insurance representative license is required for those persons who; (1) make application for, procure, negotiate for, or place for others, any individual policy of credit insurance or a master group policy of credit insurance; or (2) secure and furnish information for the purpose of group, blanket or franchise health insurance, or for enrolling individuals under such plans or issuing certificates thereunder if a commission is paid to such person.

Sally McCarty
Commissioner