

Chapter 26

Laws & Rules Pertinent to Life & Health (cont.)

Insurance Agency Licensing

- Agent in full-time charge of each agency location
- Same dude in charge of several locations
- Insurance activities at any location when an agent is not physically present

Fiduciary capacity

Commissions – percent of first year and subsequent years' premiums, only licenced/ appointed agents

Rebates

- No discriminating
- Current rebate schedule posted
- Last 5 years

Insurance Guarantee Fund

- Nonprofit legal entity
- ALL life, health and annuity companies must be in to get certificate of authority
- Purpose is to protect policy-owners and consumers in event of insolvency
- Impaired insurer – potentially unable to fulfill obligations
- Insolvent insurer – an order of liquidation with a finding of insolvency by a court
 - The Department will be appointed as the liquidator or rehabilitator
- Can not use membership in the Guarantee Fund in advertising