

304.45-130 Unlicensed person prohibited from acting as agent for risk retention group or purchasing group.

- (1) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance in this state from a risk retention group unless such person is licensed as an insurance agent in accordance with Subtitle 9 of this chapter.
 - (a) However, no such license shall be required of salaried employees of a risk retention group not compensated based on the volume of business.
 - (b) A risk retention group is responsible for the acts of its agents or other persons acting on its behalf in the solicitation, negotiation, or procurement of liability insurance or the acceptance of premiums for liability insurance.
 - (c) Any person required by this section to be licensed as an insurance agent shall give notice to each applicant that any policy issued by a risk retention group may not be subject to all of the insurance laws and administrative regulations of the Commonwealth and that state insurance insolvency guaranty funds are not available for risk retention groups.
- (2) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance in this state for a purchasing group from an authorized insurer, risk retention group chartered in a state, or a surplus lines insurer eligible to do business in this state unless such person is licensed as insurance agent or surplus lines broker in accordance with Subtitles 9 and 10 of this chapter.
- (3) No person shall act or aid in any manner in soliciting, negotiating, or procuring liability insurance coverage in this state for any member of a purchasing group under a purchasing group's liability insurance policy unless such person is licensed as an insurance agent in accordance with Subtitle 9 of this chapter.
 - (a) No license shall be required of salaried employees of an insurer or of a purchasing group who are not compensated based on the volume of business.
 - (b) An insurer issuing a liability insurance policy to a purchasing group is responsible for the acts of its agents or other persons acting on its behalf in the solicitation, negotiation, or procurement of liability insurance or the acceptance of premiums for liability insurance.

Effective: July 15, 1994

History: Amended 1994 Ky. Acts ch. 92, sec. 10, effective July 15, 1994. -- Amended 1990 Ky. Acts ch. 165, sec. 11, effective July 13, 1990. -- Created 1986 Ky. Acts ch. 308, sec. 13, effective July 15, 1986.