




North Dakota
Insurance Department
Adam W. Hamm, Commissioner

BULLETIN 2009-2

TO: Insurers

FROM: Adam Hamm, Commissioner 

DATE: September 28, 2009

SUBJECT: Insurance Producer's Initial and Continuing Duties to Disclose Administrative and Criminal Actions

The North Dakota Insurance Department issues this bulletin as a reminder to licensed insurance producers and license applicants of their duty to report any criminal history they may have as well as any administrative action taken by other governmental agencies. This duty exists both at the time of application and continues while licensed.

An applicant's failure to disclose his or her criminal history or prior administrative action is grounds for denial of a license. N.D.C.C. § 26.1-26-42. Similarly, licensed insurance producers have been required since 2001 to report to the Commissioner within 30 days any administrative action or any criminal conviction in any jurisdiction. N.D.C.C. § 26.1-26-45.1. Failure to timely report criminal convictions is grounds for administrative action against the producer's license including suspension, revocation, and imposition of fines.

The Department has recently begun an initiative to investigate and take administrative action for undisclosed and unreported criminal history among insurance producer applicants and licensees. At its outset, the initiative randomly samples a portion of resident licensed insurance producers. Undisclosed or unreported crimes have been discovered which will result in a range of sanctions being imposed including reprimand, fine, probation, suspension, and revocation.

Producers and applicants are reminded to answer all questions on the license application completely. You must disclose all criminal convictions and pending criminal charges excluding only traffic citations, misdemeanor driving under the influence (DUI) or driving while intoxicated (DWI), driving without a license, reckless driving or driving with a suspended or revoked license, and juvenile offenses. You must disclose all criminal convictions, except those noted above, and pending charges including, *but not limited to*, NSF checks and minor in possession. These criminal convictions must be disclosed regardless of when they occurred. If you have any questions about what needs to be disclosed, contact the Department before submitting an application.

AH/njb