

Military Sales Practices: Reporting of Disciplinary Actions

**COMMONWEALTH OF KENTUCKY
DEPARTMENT OF INSURANCE
Frankfort, Kentucky**

**ADVISORY OPINION
2008-03**

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

TO: ALL INSURERS AUTHORIZED TO TRANSACT LIFE INSURANCE BUSINESS IN KENTUCKY
FROM: SHARON P. CLARK, COMMISSIONER KENTUCKY DEPARTMENT OF INSURANCE
RE: MILITARY SALES PRACTICES: REPORTING OF DISCIPLINARY ACTIONS

Subsection 12(a) of the Military Personnel Financial Services Protection Act, Pub. L. No. 109-290 (2006), prohibits an insurer after September 29, 2007, from entering into or renewing a contractual relationship with an agent or other person who sells life insurance on a military installation unless the insurer has implemented a system to report disciplinary actions taken by: (1) the insurer or (2) any Federal or State government entity against its agents for conduct occurring on a military installation. The insurer is required to report such disciplinary actions to both its domiciliary regulator and to the agent’s resident regulator (“The Federal Reporting Requirement”).

To simplify the Federal Reporting Requirement for insurers, the NAIC has implemented a Military Sales Online Reporting System that may be accessed at the following Web link of the National Association of Insurance Commissioners: <https://external-apps.naic.org/msors/>. The Military Sales Online Reporting System will, in turn, forward the reported information to all appropriate state insurance departments. Reporting via Military Sales Online Reporting System will satisfy the mandate of the Federal law. We strongly encourage you use the Military Sales Online Reporting System.

All insurers doing business in this state must comply with the “Federal Reporting Requirement” and shall demonstrate to the Commissioner, upon request, that they have complied with the reporting requirements.

Any questions should be directed to the Life Division, Kentucky Department of Insurance, 502-564-6071.

/s/ Sharon P. Clark
Sharon P. Clark, Commissioner
Kentucky Department of Insurance

On this 17th day of July, 2008