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COMMISSIONER OFINSURANCE

Bulletin 2001-14

TO: **Licensees, Insurers and Interested Parties**

FROM: **Linda Ruthardt, Commissioner of Insurance**

DATE: **November 7, 2001**

RE: **The Federal Violent Crime Control and Law Enforcement Act of 1994**

This bulletin is intended to update information provided in Bulletin 98-11, issued by the Division of Insurance in September 1998. With the passage of the federal "Violent Crime Control and Law Enforcement Act of 1994" in September 1994, it became a criminal offense for anyone convicted of a state or federal felony involving dishonesty or breach of trust to engage in the business of insurance. It is also a criminal offense for anyone "engaged in the business of insurance" to willfully permit a "prohibited person" to conduct insurance activity. However, Title 18 U.S. Code, §1033 ("the Act") provides that a person prohibited from the business of insurance by virtue of such a conviction, can request written consent from the Commissioner of Insurance to engage in the business of insurance in Massachusetts. This Bulletin provides general information regarding the required procedures for any such prohibited person to apply for written consent to engage in the business of insurance in Massachusetts.

It is the responsibility of each "prohibited person" engaged in or seeking to engage in the business of insurance to notify the Division of Insurance in writing that he/she is "prohibited" under the Act. Entities engaged in the business of insurance must notify the Division in writing if it they have any employees or agents who are prohibited under the Act. These entities must also ensure that their "prohibited" employees and agents cease and desist from the business of insurance unless and until they are granted written consent. Downloadable versions of the written consent application form, application procedures and other related information are available on the Division of Insurance website at

www.state.ma.us/doi/legal_hearings. However, applicants must submit an original signed copy of the application form for consideration.

The Division of Insurance has appointed an Advisory Committee to review all applications for such written consent. Applicants are notified in writing when their application has been deemed complete, and are given the opportunity to attend an Advisory Committee meeting to further state, in person and under oath, why they believe that the Commissioner should grant them written consent. Applicants may otherwise notify the Committee in writing that the decision on whether to grant them written consent can be made solely on the basis of the written application that was submitted. The Advisory Committee will then issue a recommendation to the Commissioner on whether the applicant should be granted consent. The Commissioner makes the final decision, and issues written notification to the applicant either granting or denying consent.

A number of domestic insurance companies have expressed interest in receiving CORI (Criminal Offender Record Information)certification from the Massachusetts Criminal History Systems Board (CHSB). A Massachusetts domestic insurance company seeking to be compliant with the Act recently applied for and received CORI certification from the CHSB. CORI certification applications are available on the CHSB website at www.state.ma.us/chsb, or by calling the CHSB CORI Unit at (617) 660-4760.

Please consult the Division of Insurance web site, and/or contact the Division directly for complete details regarding the procedures required to file an application for written consent.