
15 U.S. Code § 6753

Membership

(a) Eligibility

(1) In general

Any insurance producer licensed in its home State shall, subject to paragraphs (2) and (4), be eligible to become a member of the Association.

(2) Ineligibility for suspension or revocation of license

Subject to paragraph (3), an insurance producer is not eligible to become a member of the Association if a State insurance regulator has suspended or revoked the insurance license of the insurance producer in that State.

(3) Resumption of eligibility

Paragraph (2) shall cease to apply to any insurance producer if—

(A) the State insurance regulator reissues or renews the license of the insurance producer in the State in which the license was suspended or revoked, or otherwise terminates or vacates the suspension or revocation; or

(B) the suspension or revocation expires or is subsequently overturned by a court of competent jurisdiction.

(4) Criminal history record check required

(A) In general

An insurance producer who is an individual shall not be eligible to become a member of the Association unless the insurance producer has undergone a criminal history record check that complies with regulations prescribed by the Attorney General of the United States under subparagraph (K).

(B) Criminal history record check requested by home State

An insurance producer who is licensed in a State and who has undergone a criminal history record check during the 2-year period preceding the date of submission of an application to become a member of the Association, in compliance with a requirement to undergo such criminal history record check as a condition for such licensure in the State, shall be deemed to have undergone a criminal history record check for purposes of subparagraph (A).

(C) Criminal history record check requested by Association

(i) In general

The Association shall, upon request by an insurance producer licensed in a State, submit fingerprints or other identification information obtained from the insurance producer, and a request for a criminal history record check of the insurance producer, to the Federal Bureau of Investigation.

(ii) Procedures

The board of directors of the Association (referred to in this subchapter as the “Board”) shall prescribe procedures for obtaining and utilizing fingerprints or other identification information and criminal history record information, including the establishment of reasonable fees to defray the expenses of the Association in connection with the performance of a criminal history record check and appropriate safeguards for maintaining confidentiality and security of the information. Any fees charged pursuant to this clause shall be separate and distinct from those charged by the Attorney General pursuant to subparagraph (I).

(D) Form of request

A submission under subparagraph (C)(i) shall include such fingerprints or other identification information as is required by the Attorney General concerning the person about whom the criminal history record check is requested, and a statement signed by the person authorizing the Attorney General to provide the information to the Association and for the Association to receive the information.

(E) Provision of information by Attorney General

Upon receiving a submission under subparagraph (C)(i) from the Association, the Attorney General shall search all criminal history records of the Federal Bureau of Investigation, including records of the Criminal Justice Information Services Division of the Federal Bureau of Investigation, that the Attorney General determines appropriate for criminal history records corresponding to the fingerprints or other identification information provided under subparagraph (D) and provide all criminal history record information included in the request to the Association.

(F) Limitation on permissible uses of information

Any information provided to the Association under subparagraph (E) may only—

- (i) be used for purposes of determining compliance with membership criteria established by the Association;
- (ii) be disclosed to State insurance regulators, or Federal or State law enforcement agencies, in conformance with applicable law; or
- (iii) be disclosed, upon request, to the insurance producer to whom the criminal history record information relates.

(G) Penalty for improper use or disclosure

Whoever knowingly uses any information provided under subparagraph (E) for a purpose not authorized in subparagraph (F), or discloses any such information to anyone not authorized to receive it, shall be fined not more than \$50,000 per violation as determined by a court of competent jurisdiction.

(H) Reliance on information

Neither the Association nor any of its Board members, officers, or employees shall be liable in any action for using information provided under subparagraph (E) as permitted under subparagraph (F) in good faith and in reasonable reliance on its accuracy.

(I) Fees

The Attorney General may charge a reasonable fee for conducting the search and providing the information under subparagraph (E), and any such fee shall be collected and remitted by the Association to the Attorney General.

(J) Rule of construction

Nothing in this paragraph shall be construed as—

- (i) requiring a State insurance regulator to perform criminal history record checks under this section; or
 - (ii) limiting any other authority that allows access to criminal history records.
-

(K) Regulations

The Attorney General shall prescribe regulations to carry out this paragraph, which shall include—

- (i) appropriate protections for ensuring the confidentiality of information provided under subparagraph (E); and
- (ii) procedures providing a reasonable opportunity for an insurance producer to contest the accuracy of information regarding the insurance producer provided under subparagraph (E).

(L) Ineligibility for membership

(i) In general

The Association may, under reasonably consistently applied standards, deny membership to an insurance producer on the basis of criminal history record information provided under subparagraph (E), or where the insurance producer has been subject to disciplinary action, as described in paragraph (2).

(ii) Rights of applicants denied membership

The Association shall notify any insurance producer who is denied membership on the basis of criminal history record information provided under subparagraph (E) of the right of the insurance producer to—

- (I) obtain a copy of all criminal history record information provided to the Association under subparagraph (E) with respect to the insurance producer; and
- (II) challenge the denial of membership based on the accuracy and completeness of the information.

(M) Definition

For purposes of this paragraph, the term “criminal history record check” means a national background check of criminal history records of the Federal Bureau of Investigation.

This document is only available to subscribers. Please [log in](#) or [purchase access](#).

[Purchase Login](#)