

State of Delaware



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Department of Insurance

AGENTS' BULLETINS NO. 4

AGENTS' LICENSING, APPOINTMENT, AUTHORITY, BROKERS' AUTHORITY

Original No. 77-6
September 26, 1977
Amended April 15, 1992

It has come to the Department's attention that Life/Health Insurance agents are frequently placing business with carriers prior to appointments by the carrier. This practice is in violation of 18 Del. C., Section 1714. No insurance agent may legally solicit business for a carrier, or conduct any related insurance transaction unless and until the insurer has filed with the Commissioner a formal appointment as agent (Form 1A).

No insurer may pay commissions to an agent for business submitted prior to the approval, by this Department, of the insurer's request to appoint the agent.

While brokers are entitled to submit business to any licensed carrier, they are, by definition, the representative of the insured and not the carrier. A broker may not, in the capacity of a broker, bind coverage, countersign policies or issue conditional receipts.

Insurers are directed to review their licensing procedures to ensure compliance.