

**Bulletin 4**

**COUNTERSIGNATURE LAW OF KENTUCKY –  
RETALIATORY APPLICATION TO AGENTS' COMMISSIONS**

August 10, 1956

It appearing to the Insurance Commissioner of the State of Indiana that:

The good State of Kentucky through its Statutes and Regulations has placed restrictions, conditions, and obligations on the sale of insurance in which sale Indiana other-than-life agents participate; and

The laws of the State of Indiana make it mandatory that like restrictions, conditions, and obligations be imposed on the sale of insurance wherein Kentucky other-than-life agents participate;

Now, Therefore, it is ordered forthwith that regardless of any broker's license that may have been or shall be issued by the State of Indiana to a Kentucky resident agent:

1. No Kentucky resident agent shall directly or indirectly solicit the sale of insurance within the State of Indiana. This paragraph does not apply to life insurance, provided that the Kentucky resident agent has obtained an Indiana non-resident life license.

2. Each policy of insurance covering subjects of insurance located or to be performed in Indiana which said policy is sold at the request of, on behalf of, in connection with the efforts of, or in conjunction with the activity of any Kentucky resident agent must be countersigned by a duly licensed Indiana resident agent of the insurer; except that this paragraph 2 shall not apply to:

- (a) title insurance,
- (b) reinsurance contracts between insurers,
- (c) life insurance,
- (d) disability insurance which, until otherwise interpreted by the Kentucky Department of Insurance, means accident and health insurance,
- (e) policies lawfully issued as surplus line under the Indiana statutes,
- (f) policies covering only the rolling stock, vessels, or aircraft of any common carrier in interstate or foreign commerce, or any vehicle principally garaged and used in any state other than Indiana,
- (g) policies covering only any property in course of transportation interstate or in foreign trade or any liability or risk incident thereto,
- (h) policies covering only ocean marine risks.

3. In the case of each and all policies requiring countersigning by paragraph 2 above, the countersigning Indiana resident agent must receive and retain the full commission derived from the sale of the policy where no non-resident license is held by the Kentucky resident agent who may have in some way participated in the sale; in the case of each and all policies requiring countersigning by paragraph 2

above, the countersigning Indiana resident agent must receive and retain not less than 50% of the commissions derived from the sale where a Kentucky resident agent who holds an Indiana non-resident license has in some way assisted, participated or taken part in the sale. (This order being issued for retaliatory purposes only is not intended to be and is not an administrative ruling on the right of brokers to receive commissions from agents or elsewhere; the purpose of this order is merely to make certain that Indiana resident agents are put on at least an equal basis with Kentucky resident agents.)

4. In the case of policies not requiring countersigning by paragraph 2 above or paragraph 5 below, the matters of countersigning and payment and sharing of commissions shall be governed by otherwise applicable Indiana statutes.

5. The countersigning requirement of paragraph 2 above shall apply to any policy or bond required to be filed with and approved by the Indiana Highway Department, or to any policy or bond incident or pertaining to an operation under a contract awarded by the Indiana Highway Department and no part of the agent's commission shall be paid to a Kentucky resident agent.

6. For violation of this order, revocation of Indiana resident agent's license and non-resident broker's license for a term of not less than 2 years or up to permanently will be imposed.

William J. Davey  
Insurance Commissioner

Withdrawn