**Section 1451.90 Licensing of Producers for Variable Contracts**

a) No producer shall be eligible to sell or offer for sale a variable contract unless, prior to making any solicitation or sale of such a contract, the producer also is licensed as a variable contract producer. No agent of a fraternal benefit company, which operates on a legal reserve basis, shall be eligible to be licensed as a variable contract producer unless the producer also is licensed as a life insurance producer.

b) Any producer who participates only in the sale or offering for sale of variable contracts that are not registered under the Federal Securities Act of 1933 (15 USC 77(a) et seq.) need not be licensed as a variable contract producer.

c) Any producer applying for a license as a variable contract producer shall do so by filing with this Department proof of passing the NASD Series 6 or 7 examination or any superseding examination that grants authority to sell variable contracts.

d) Any person licensed in this State as a variable contract producer shall immediately report to the Director:

1) any suspension or revocation of the variable contract producer's license or life insurance producer's license in any other State or Territory of the United States,

2) the imposition of any disciplinary sanction (including suspension or expulsion from membership, suspension or revocation of or denial of registration) imposed by any national securities exchange, or national securities association, or any federal, or state or territorial agency with jurisdiction over securities or variable contracts,

3) any judgement or injunction entered against the producer on the basis of conduct deemed to have involved fraud, deceit, misrepresentation, or violation of any insurance or securities law or regulation.

e) The Director may reject any application or suspend or revoke or refuse to renew any variable contract producer's license upon any ground that would bar such applicant or such producer from being licensed to sell life insurance contracts in this State. The rules governing any proceeding relating to the suspension or revocation of a life insurance producer's license shall also govern any proceeding for suspension or revocation of a variable contract producer's license.

f) Renewal of a variable contract producer's license shall follow the same procedure established for renewal of a producer's license to sell life insurance contracts in this State.

(Source: Amended at 25 Ill. Reg. 4208, effective March 5, 2001)