

PROPOSED
RULE AND REGULATION 50
AGENTS PRODUCERS CONTINUING EDUCATION

SECTION

1. Purpose
2. Authority
3. Effective Date and Applicability
4. Exemptions
5. Educational Requirements
6. Course Provider Approval
7. Instructor Qualifications
8. Program Review
9. Fees and Compliance
10. Penalties
11. Severability

- ~~APPENDIX A Course Application for Continuing Education~~
~~APPENDIX B Course Description~~
~~APPENDIX C Change in Curriculum or Instructor~~
~~APPENDIX D Application for Approval as Instructor~~
~~APPENDIX E Individual Certificate of Completion~~
~~APPENDIX F Request for Exemption~~
~~APPENDIX G Affidavit of Proctor~~

- APPENDIX A Course Application for Continuing Education
APPENDIX B Course Valuation
APPENDIX C Change in Curriculum or Instructor
APPENDIX D Application for Approval as Instructor
APPENDIX E Individual Certificate of Completion
APPENDIX F Request for Exemption
APPENDIX G Affidavit of Proctor
APPENDIX H Continuing Education Providers Reporting Roster

*Note, these forms are listed here for convenience and are not exhibits to this Rule. They are the prescribed forms for use and are available at the Department website at www.insurance.arkansas.gov/License/divpage.htm.

SECTION 1. PURPOSE

The purpose of this Rule ~~and Regulation~~ is to establish requirements and standards for continuing education for natural persons licensed as insurance ~~agents or brokers~~ producers by the Commissioner.

SECTION 2. AUTHORITY

This Rule is issued under the authority vested in the Commissioner of Insurance ("Commissioner") by Ark. Code Ann. §23-61-108, and the Arkansas Administrative Procedure Act, codified at Ark. Code Ann.

§§25-15-201, et seq., and Ark. Code Ann. Section §23-64-304(a), as amended by Act 1004 of 1997, Act 1203 of 2003 and Act 1697 of 2005.

SECTION 3. EFFECTIVE DATE AND APPLICABILITY

This Rule ~~and Regulation~~ shall be effective ~~November 10, 1999~~ May 1, 2006, and shall be applicable to those persons licensed to act as an insurance ~~agent or broker, producer,~~ who must comply with Ark. Code Ann. §§23-64-301, et seq., ~~on and after July 1, 1998~~, for the sale of the following types of insurance:

- A. Life, and/or ~~disability~~ accident and health and sickness (“AHS”) insurance.
- B. Property and/or casualty insurance.
- C. Personal lines.
- ED. All lines of insurance for which an examination is required for licensing.

SECTION 4. EXEMPTIONS

- A. This Rule ~~and Regulation~~ shall not apply to the following individuals:
 - 1. Persons holding licenses for which an examination is not required.
 - 2. Adjusters and limited adjusters, ~~and consultants.~~
 - 3. Any limited or restricted license the Commissioner may exempt.
 - 4. Any person, licensed as a resident producer prior to July 1, 2003, who is at least sixty (60) years of age.
 - 5. Any person, licensed as a resident producer prior to July 1, 2003, who has held a license as a producer, an agent, solicitor, consultant or broker for a period of at least fifteen (15) consecutive years.
 - 6. Third-party administrators who do not solicit business.
 - 7. Non-resident agents, producers, non-resident consultants, and/or ~~or brokers, non-resident adjusters.~~
 - 8. Licensed insurance consultants for life, ~~disability~~ AHS, property and/or casualty insurance, personal lines, or for other lines of insurance; ~~and~~
 - 9. Nonresident ~~agents and brokers~~ producers in the first full year of resident licensing following the year after a change in the state of domicile or residency to the State of Arkansas; but thereafter annually or otherwise in accordance with insurance continuing education laws, and rules ~~and regulations~~ of the ~~commissioner~~ Commissioner; ~~and~~
 - 10. Any producer called to active duty in any branch of the United States military services including, but not limited to, the United States Coast Guard and Reserves, during the entire period of active duty service.
 - 11. As of July 1, 2003, the exceptions contained in Subsections (A)(4) and (5) of this Section are no longer applicable to insurance producers who became resident licensees after July 1, 2003, or insurance producers who have let the Arkansas producer license lapse and have become re-licensed.
 - 12. Individuals (or an appointed guardian or person with an appropriately worded power of attorney) with grave or debilitating illnesses or injuries may write for an extension for no more than twelve (12) months, for completion of the annual CE hours required for a particular calendar year. The request must be accompanied by a written doctor’s statement confirming the medical history under review and with a medical estimate as to how long the individual will be unable to function normally enough to complete the rule requirements. The request from the producer must include his/her mail or electronic mail note that he/she is voluntarily waiving the private or confidential nature of the illness or injury in order to qualify for this extension. With similar documentation, including a

signed note from the attending physician and a privacy note from and signed by the patient, producers (or the relative's appointed guardian or person with an appropriately worded power of attorney) may also file for an extension due to the terminal or debilitating illness of a grandparent, parent, spouse, sibling, or child. The Commissioner has discretion to grant such time extensions for good cause under Ark. Code Ann. §23-64-304(b), but only up to one (1) year; and may deny requests from any producer failing, or who has in the past failed, to comply with Arkansas laws or rules, or failed to comply within any extended time period granted by the Commissioner under this subsection.

~~B. All persons requesting exemption from compliance under Subsection (A)(4) and (5) only shall complete and file with the License Division of the Arkansas Insurance Department the form as found in Appendix F.~~

~~C. B. Newly licensed agents and brokers during the calendar year in which the applicant first received an Arkansas license shall not be required to comply with continuing education requirements; continuing education requirements shall be due on the licensee's birthday in the first annual period after first renewal of the license (i.e. one year from first renewal of the license). Newly licensed producers for the initial full line of authority must be licensed for one (1) full year prior to renewal of the license, before continuing education requirements are imposed. Example: If a new producer becomes licensed in June of 2005, and the expiration of the license is February 2, 2006, the producer must pay the renewal fee, but continuing education is not due until February 2, 2007, because the exemption period of 1 year has not been reached prior to the 2006 expiration date.~~

SECTION 5. EDUCATIONAL REQUIREMENTS

A. Number of Course Hours

~~Effective July 1, 1998,~~ upon the effective date of this rule, any non-exempt persons licensed as ~~agents or brokers~~ producers shall, before each annual period on their birthday, complete those courses of instruction approved by the Commissioner and equivalent to the following:

1. ~~A total of eight (8) hours of instruction, of which must include 1 (one) hour of ethics, for a life and disability AHS license line of authority or life or disability AHS licenses. lines of authority.~~
2. ~~A total of eight (8) hours of instruction, of which must include 1 (one) hour of ethics, for a property and/or casualty license. lines of authority.~~
3. ~~A total of eight (8) hours of instruction, of which must include 1 (one) hour of ethics, for personal lines of authority.~~
4. ~~A total of eight (8) hours for all lines of insurance, of which must include 1 (one) hour of ethics, for which an examination is required for licensing and is not otherwise exempt.~~
35. ~~A total of ten (10) hours of instruction, of which must include 1 (one) hour of ethics, for those other persons holding dual licenses for life and/or disability AHS and property and/or casualty. and/or personal lines.~~

B. Course Approval

Subject to submission and approval of the Commissioner, the courses or programs of instruction successfully completed which shall be deemed to meet the Commissioner's standards for continuing education requirements are:

1. Any part of the Life Underwriting Training Council Life Courses Curriculum and Health Courses.
2. Any part of the American College "CLU" diploma curriculum.
3. Any part of the Insurance Institute of America's Program in general insurance.
4. Any part of the American Institute for Property and Liability Underwriters' chartered Property Casualty Underwriter (CPCU) professional designated program.
5. Any part of the Certified Insurance Counselor Program.
6. Any course offered by Certified Health Consultant (CHC).
7. Any course offered by Registered Health Consultant.
8. Any insurance related course approved by the Commissioner and offered by an accredited college or university.
9. Any course or program of instruction, seminar, or meeting sponsored by any authorized insurer, recognized ~~agents'~~ producers' association or insurance trade association or any independent program of instruction.
10. Any correspondence courses, including, but not limited to, correspondence courses offered via the Internet. Any correspondence course, subject to the following:
 - ~~i.a.~~ All correspondence courses must have a sealed and numbered written examination which measures the licensee's knowledge of the information. Course providers may also add oral or electronic correspondence courses, with oral or electronic examinations.
 - ~~ii.b.~~ All correspondence course examinations must be proctored.
 - ~~iii.c.~~ Proctors must provide an affidavit attesting under oath or affirmation that the examination was proctored, that the examination was provided in a manner specified by the correspondence course provider, and that they are not part of or aware of any efforts to circumvent the requirements of the examination, as provided in Bulletin Appendix G.
 - ~~iv.d.~~ Bulletin Appendix G must accompany the licensee's completed Certificate, Bulletin Appendix E. Correspondence course providers shall maintain all records on proctors and proctored examinations.
 - ~~v.e.~~ ~~A proctor must be registered annually with and be acceptable to the Commissioner.~~ Proctors must be a disinterested third party and shall ~~may~~ not serve for examinations of: family members or relatives or dependents, employers or supervisors, employees or subordinates, partners or joint venturers or co-owners, current or former teachers or pupils, neighbors or personal friends or significant others, or for anyone in whom the proctor has an economic or other interest in assuring the successful outcome of the examination.
 - ~~vi.f.~~ Course providers' filings must explain how correspondence course exams will not be duplicated for any two (2) test takers.
 - ~~vii.g.~~ Correspondence courses approved and subsequently purchased by the ~~agent or broker~~ producer, prior to the re-adoption date of this Rule, shall not be governed by this Rule; however course providers must contact the License Division to reconfirm credit hours.
11. Any other course or program approved by the Commissioner.
12. Subject to approval by the ~~commissioner~~ Commissioner, the active annual membership of the licensed ~~agent or broker~~ producer in local, regional, state or national professional insurance organizations or associations may be approved for up to two (2) annual hours of instruction. These hours shall be credited upon timely filing with the ~~commissioner~~ Commissioner or his designee appropriate written evidence acceptable to the ~~commissioner~~ Commissioner of such active membership in the organization or association.

C. Course Hour Valuation

1. The Commissioner shall assign the number of continuing education hours for which approved courses qualify.
2. Key Components – Filings must include and clearly demonstrate:
 - a. Material that is current, relevant, accurate, and that includes valid reference materials, graphics and interactivity.
 - b. Clearly defined objectives and course completion criteria
 - c. Specific instructions to register, navigate and complete the course work
 - d. Technical support/provider representative be available during business hours
 - e. Process to authenticate student identity
 - f. Method for measuring the student’s successful completion of course material and for evaluating the learning experience
 - g. Process for requesting and receiving CE course-completion certificate
3. Acceptable Procedures to determine Appropriate Number of Credit Hours - Select and File One (1) of Two (2) Methods below per Course:
 - a. Method A
 - i. 600-700 words (standard font size) = one (1) text page
 - ii. Textbooks/workbooks/other printed material – one (1) credit for every fifteen (15) pages
 - iii. Three (3) screens with an aggregate total of approximately 600-700 words – one (1) text page
 - iv. Forty-five (45) screens – one (1) hour of credit
 - v. Divide total screens by forty-five (45) – total number of credit hours
 - iv. Multiply number of hours by 1.00 for a basic level course; 1.25 for an intermediate level; 1.50 for an advanced course for additional study time = total number of credit hours (fractional hours rounded up if .50 or above and rounded down if .49 or less)
 - b. Method B
 - i. Divide total number of words by one hundred eighty (180) (documented average reading time) = number of minutes to read material
 - ii. Divide number of minutes by fifty (50) = credit hours
 - iii. Multiply number of hours by 1.00 for a basic level course; 1.25 for an intermediate level; 1.50 for an advanced course for additional study time = total number of credit hours (fractional hours rounded up if .50 or above and rounded down if .49 or less)

D. Deadline

The producer’s certificate for course hours completed will be valid for filing with the Commissioner for two (2) years from the date of the completion of the course.

E. Course Repetition

Courses may not be repeated within a 2-year period of time. This does not apply to one (1) hour ethics courses.

SECTION 6. COURSE PROVIDER APPROVAL

- A. Application for approval as a provider shall be submitted to the License Division of the Arkansas Insurance Department not less than sixty (60) days prior to the expected use of the program. A provider shall include the following information in duplicate:
 - 1. Detailed description of the subject of the program or course including a course outline, list of any resource materials, and list of speakers or instructors ~~or proctors~~.
 - 2. Completion of Bulletin Appendices A and B and D for the initial certification, and completion of Bulletin Appendices C and D upon any change in curriculum or instructor-
or proctor.
 - 3. Schedules of classes, seminars and meetings for all locations.
- B. Changes in schedules are to be filed with the Insurance Department no later than two (2) weeks before such program or course is offered.

SECTION 7. INSTRUCTOR QUALIFICATIONS

- A. A person teaching any approved course of instruction or lecturing at any approved seminar or meeting shall qualify ~~for the same number of educational hours for that course as would be granted to a person taking and successfully completing such course, seminar or program.~~ for one (1) hour credit for each hour presenting and/or attendance.
- B. Instructors must have had specific insurance training or educational experiences satisfactory and approved by the State Insurance Commissioner in order to be certified to teach any part of any approved course. Each instructor must have ~~five (5)~~ two (2) or more years of specific insurance experience and/or education related to and in each part of the insurance training program in which he instructs and must be approved prior to teaching any course, or any part of a course, by the State Insurance Commissioner. Applicants for approval as an instructor shall complete and submit Bulletin Appendix D to the License Division of the Arkansas Insurance Department.
- C. No person will be approved as an instructor who has received disciplinary action by the Arkansas Insurance Department, the Insurance Department of another state, or any similar regulatory body or court. The Commissioner shall have the authority to waive this requirement: for good cause shown in a written filing.

SECTION 8. PROGRAM REVIEW

Representatives of the Insurance Commissioner shall have the authority to visit a course or program and review its offering at any time including, but not limited to, curriculum records and attendance records.

SECTION 9. FEES AND COMPLIANCE

- A. Every person subject to this ~~Regulation~~ Rule shall furnish, in a form satisfactory to the Commissioner, written certification as to the courses, programs and seminars of instruction taken and successfully completed by such person. Such certification shall be executed by or on behalf of the course provider and may be in the form prescribed in Bulletin Appendix E. The Commissioner shall provide direction to the vendor as to the form used. Each licensee or the approved course provider may make the filing for the licensee to the Commissioner or his designee: by submission of a roster in hard copy or electronic form prescribed in Bulletin

Appendix H. The provider shall collect \$1 per hour up to a maximum fee of \$10 in filing fees from the licensee and submit the fees with the completed roster from Bulletin Appendix H in a timely manner, but no later than ten (10) days from the completion of the course of instruction. The Commissioner may require vendors to submit the agent's producer's Certificate of Completion of Continuing Education hours on an electronic media to the Department, and may require the vendor to submit information to an outside vendor or other parties contracting with the Commissioner to maintain and update insurance licensees' continuing education data.

- B. Every person subject to this Rule ~~and Regulation~~ and who furnishes to the Commissioner or Vendor of the Commissioner, written certification as to the courses or programs of instruction taken and successfully completed shall tender a filing fee as directed by the Commissioner or Vendor of the Commissioner under his approval. A vendor is an individual, corporation, or legal entity hired by the Commissioner to facilitate the electronic functions of this Rule.
- C. Excess educational hours accumulated during any annual period may be carried forward only to the next annual period. ~~Excess hours in the amount required pursuant to this rule may be carried forward to the next calendar year.~~ Continuing education carried forward to the following calendar year shall expire upon commencement of the third ~~year~~ annual period following completion of the hours.
- D. For good cause shown, the Commissioner may grant an extension of time during which the requirements may be completed.

SECTION 10. PENALTIES

- A. Upon failure of any ~~agent or broker~~ producer to comply with Ark. Code Ann. ~~Section §§23-64-301, et seq.,~~ the Commissioner shall take the steps enumerated in Ark. Code Ann. ~~Section §23-64-304(d)~~ against such individual's license. Failure to comply with this Rule may result in imposition of penalties contained in §23-64-216, as amended, or other applicable laws or rules.
- B. Any licensee fined under Ark. Code Ann. §23-64-304(d) may request that the Commissioner seal the licensee's records regarding the fine. The underlying conduct of any licensee whose record has been sealed under §23-64-304 shall be deemed as a matter of law to have never occurred, and the licensee may state that the conduct or fine never occurred.

SECTION 11. SEVERABILITY

Any section or provision of this Rule held by the court to be invalid or unconstitutional will not affect the validity of any other section or provision.

MIKE PICKENS
INSURANCE COMMISSIONER
STATE OF ARKANSAS

DATE

**APPENDIX A
 COURSE APPLICATION FOR CONTINUING EDUCATION CREDIT
 IN ARKANSAS
 ARKANSAS DEPARTMENT OF INSURANCE REGULATION NO. 50**

Approved _____ Disapproved _____ _____ Credit # CE hours approved _____
--

NAME: _____ TELEPHONE: † () _____ † (800) _____

 COURSE TITLE/NAME DATE OF COURSE PROVIDER NUMBER
 (ATTACH APPENDIX B)

LOCATION _____ CITY _____

INSTRUCTOR _____ TELEPHONE _____

QUALIFICATIONS OF INSTRUCTOR, INCLUDE RESUME (APPENDIX D)

QUALIFICATIONS OF PROCTOR (ATTACH)

METHOD OF INSTRUCTION:

_____ Classroom/Lecture _____ Correspondence _____ Employee Training

_____ Seminar _____ Professional Association _____ College/University

_____ Other _____

Number of Hours of Instruction or Classroom Hours _____

Total Number of Continuing Education credit hours requested _____

METHOD OF DETERMINING SATISFACTORY COMPLETION:

_____ Examination _____ Attendance _____ Report _____ Other _____

NAMES AND SIGNATURES OF AUTHORIZED REPRESENTATIVES TO SIGN CERTIFICATES OF COMPLETION:

Name (Type or Print)	Signature
----------------------	-----------

Name (Type or Print)	Signature
----------------------	-----------

SUBMITTED BY:

Name (Type or Print)	Signature
----------------------	-----------

Title	Organization
-------	--------------

NOTE: APPENDIX A AND APPENDIX B AND APPENDIX D MUST BE SUBMITTED TO THE ARKANSAS INSURANCE DEPARTMENT, 1200 West Third Street, Little Rock, Arkansas 72201 1904, or as directed by the Commissioner.

APPENDIX C
CHANGE IN CURRICULUM OR INSTRUCTOR OR PROCTOR
ARKANSAS DEPARTMENT OF INSURANCE CONTINUING EDUCATION
REGULATION NO. 50

To: ARKANSAS INSURANCE DEPARTMENT
Licensing Division
1200 West Third Street
Little Rock, Arkansas 72201-1904

(SUBMIT IN DUPLICATE)

Name of Training Facility _____

Address _____

Name and Telephone Number _____
Of contact person

The following changes have been made in our Course Curriculum and/or Instructors:

(Attach the Applicable Changes)

- 1) Course Description (Appendix B)
- 2) List of Resource Materials
- 3) Names of Instructors and Qualifications (Appendix D)
- 4) Names of Instructors serving as Designated Officials of Provider
- 5) Names of Proctors (Attach Resume)

Typed Name of Training Facility Official

Signature of Training Facility Official

Date

FOR DEPARTMENT USE ONLY

APPROVED BY: _____ DATE: _____

DISAPPROVED BY: _____ DATE: _____

APPENDIX D
APPLICATION FOR APPROVAL AS INSTRUCTOR
ARKANSAS DEPARTMENT OF INSURANCE
CONTINUING EDUCATION
REGULATION NO. 50

ARKANSAS INSURANCE DEPARTMENT
Licensing Division
1200 West Third Street
Little Rock, Arkansas 72201-1904

(SUBMIT IN DUPLICATE)

- 1) Name _____
Address _____
Phone: Office (—) _____ Home (—) _____
- 2) Name and Address of Current Employer _____

- 3) Name of Sponsoring Training Facility _____
Address _____
- 4) Please list all resident and non-resident insurance licenses you currently hold as agent, broker, consultant, adjuster, managing general agent, etc.:

- 5) Please summarize your insurance experience and training, totaling five (5) years (attach additional sheets, if necessary): _____

6) ~~Please summarize your insurance education, including, but not limited to, college/university insurance course(s) hours; insurance seminars and training courses; number of hours completed toward certifications such as CLU, CPCU, FLMI, etc. (Attach additional sheets, as necessary.):~~

~~[Note: As specific training on insurance is a prerequisite, please do not include general education hours or degrees, such as BA or MBA Degrees in Business, Marketing, etc.]~~

7) Courses of study at Training Facility for which you propose to serve as Instructor:

ATTACH FOLLOWING DOCUMENTS:

- a) ~~Resume or Curriculum Vitae, if any;~~
- b) ~~Appendix C completed by Training Facility Official; and~~
- e) ~~As to non-resident applicants only, please attach written verification from your domiciliary state insurance department confirming that you have held an insurance license(s) for a minimum of five (5) years, and that your license(s) has never been suspended or revoked.~~

Name of Applicant

Subscribed to and sworn or affirmed before me this _____ day of _____, [Year].

Notary Public

My Commission expires

FOR DEPARTMENT USE ONLY

APPROVED BY: _____ DATE: _____

DISAPPROVED BY: _____ DATE: _____

APPENDIX F
REQUEST FOR EXEMPTION
ARKANSAS DEPARTMENT OF INSURANCE CONTINUING EDUCATION
REGULATION NO. 50

TO: ARKANSAS INSURANCE DEPARTMENT
Licensing Division
1200 West Third Street
Little Rock, AR 72201-1904

Under Arkansas Code Section 23-64-302(3) and (4) as amended, I am requesting the following exemption:

_____ At least sixty (60) years of age. Date of Birth _____ (Attach copy of birth certificate or other document evidencing date of birth)

_____ Have held a license as an agent, broker, solicitor, or consultant for a period of fifteen (15) consecutive years. Beginning Date _____

I certify that the information set out above is true and correct to the best of my knowledge and belief.

Signature

Name (Print or Type)

Social Security Number

Street Address

Telephone Number

City, State, Zip

Subscribed to or affirmed before me a notary public in and for the State of Arkansas on this _____ day of _____, [Year].

Notary Public

My Commission expires _____

APPENDIX G
AFFIDAVIT OF PROCTOR
ARKANSAS DEPARTMENT OF INSURANCE-CONTINUING EDUCATION
REGULATION NO. 50

Name of Licensee Taking Examination _____

Licensee Social Security Number _____

Course Title/Name _____

Date of Examination _____

Location of Examination _____

Start Time: _____ End Time: _____

(Appendix G must be attached to Appendix E)

_____ * * * * *

Proctor Name (Type or Print) _____

Proctor Social Security Number _____

Registration held by Proctor _____ (Registration must be current and in good standing, issued by the Commissioner)

I do hereby solemnly attest that I proctored the above correspondence examination provided to the above named licensee and that the examination was provided as instructed by the Correspondence Course Provider. I personally opened sealed and numbered Exam # _____ on site for the test taken and assure you that no taker(s) was permitted to use study materials or have assistance during the exam. Further, I am not part of or aware of any efforts to circumvent the requirements of the proctored examination. I understand that this Affidavit is provided under oath or affirmation and that as a registrant of the Commissioner, false information shall be grounds for cancellation of my registration or other penalties. I will provide a complete and accurate copy of all my records to the approved Course Provider, who must maintain them for access by the State Insurance Department.

Signature of Proctor

Date

Subscribed, sworn to or affirmed before me, a notary public in and for the State of Arkansas, on this _____ day of _____, [Year].

Notary Public

My Commission expires _____