

RULE 50
CONTINUING EDUCATION FOR PRODUCERS AND ADJUSTERS

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SECTION 1. PURPOSE

The purpose of Rule 50 is to establish requirements and standards for continuing education for natural persons licensed as insurance producers (“producers”) and adjusters by the Arkansas Insurance Commissioner (the “Commissioner”).

SECTION 2. AUTHORITY

This Rule is issued under the authority vested in the 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. § 23-64-304(a), as amended by Act 1203 of 2003 and Act 1697 of 2005.

SECTION 3 EXEMPTIONS

- A. This Rule shall not apply to the following individuals:

1. Individuals holding licenses for which an examination is not required;
2. Company employed adjusters and limited adjusters as defined in Rule and Regulation 68;
3. Any limited or restricted license the Commissioner may exempt;
4. Any individual, licensed as a resident producer prior to July 1, 2003, who is at least sixty (60) years of age;
5. Any individual, licensed as a resident producer prior to July 1, 2003, who has held a license as a producer, insurance 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 producers, non-resident consultants, and/or non-resident adjusters, unless the home state does not have any comparable continuing education requirements;
8. Licensed insurance consultants;
9. Any producer or adjuster 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;
10. The exceptions contained in Subsections (A)(4) and (5) of this Section are no longer applicable to insurance producers who became resident licensees after July 1, 2003, or insurance producers who have let their Arkansas producer license lapse and have become re-licensed, or to title insurance agents; and
11. Individuals (or an appointed guardian or person with an appropriately worded power of attorney) with grave or debilitating illnesses or injuries may request an extension for no more than twelve (12) months, for completion of the CE hours required for a particular licensing renewal period. The request must be accompanied by a written doctor's statement confirming the medical history and 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 waiver 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 anyone 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.

SECTION 4. EDUCATIONAL REQUIREMENTS

A. Number of Course Hours

1. Upon the effective date of this Rule, any non-exempt persons licensed as producers shall, biennially on or before their birthdays, satisfactorily complete a minimum of twenty-four (24) hours of continuing education instruction approved by the Commissioner, which must include at least three (3) hours of ethics in each two year license renewal cycle, if the individual is licensed to sell:

- a. Life insurance;
 - b. Accident and health or sickness insurance;
 - c. Property insurance;
 - d. Casualty insurance;
 - e. Variable products insurance; or
 - f. Personal lines insurance.
2. Upon the effective date of this Rule, any person who holds an adjuster license shall satisfactorily complete a minimum of twenty-four (24) hours of continuing education instruction approved by the Commissioner, which must include three (3) hours of ethics in each two year license renewal cycle. This provision shall not apply to:
- a. An adjuster that is licensed in another state;
 - b. The licensing state requires continuing education; and
 - c. The adjuster has satisfied the continuing education requirements of the licensing state.
3. If a person is a non-exempt producer required to obtain continuing education under this Section and a licensed adjuster, that person shall be required to meet the continuing education requirements of both licenses.
4. The continuing education requirements in this section do not apply to title insurance agents. License renewal and continuing education requirements for title insurance agents are governed by Rule 87.

B. Biennial Licensing Period

- 1. Effective until January 1, 2011, all initial licensees and all renewal licensees for the above-referenced licensees will continue to be issued on an annual basis, with the continuing education requirements of eight (8) or ten (10) hours due annually.
- 2. Effective January 1, 2011, continuing education will be due biennially under the following schedule:
 - a. For existing individual licensees born in odd-numbered years, a two-year license will be issued for the 2011 renewal on the licensee's birth date, and renewed biennially thereafter. Twelve hours (12) of continuing education, which must include two hours of ethics, must be completed prior to the licensee's renewal in 2011. Beginning in 2013, the continuing education requirements of twenty-four (24) hours, which must include three (3) hours of ethics, will be due at each two year license renewal cycle based on the licensee's birth date. The first continuing education requirement of twenty-four (24) hours, which must include three (3) hours of ethics, is due by the expiration/renewal birth date in 2013, and at each subsequent two year license renewal.
 - b. For existing individual licensees born in even-numbered years, a one-year license will be issued for the 2011 renewal on the licensee's birth

date. Resident producers and adjusters will be required to have twelve (12) hours of continuing education, which must include two (2) hours of ethics, due for license renewal in 2012. Beginning in 2012, these licensees will renew their licenses for a two-year period and renew biennially on their birth date thereafter. The continuing education requirement of twenty-four (24) hours, which must include three (3) hours of ethics, will be due at the first two year license renewal cycle based on the licensee's birth date in 2014 and biennially on the birth date thereafter.

- c. For new individual licensees issued in 2011 and subsequent years, license renewal periods will not be based on birth year. The initial license will be issued for a two-year period and renewed biennially on the licensee's birth date thereafter. The continuing education requirements of twenty-four (24) hours, which must include three (3) hours of ethics, will be due at each two year license renewal cycle.
- d. The continuing education requirements for resident adjusters and for those non-residents who have qualified for an Arkansas Adjuster license by taking the Arkansas adjuster exam will be 24 hours every two years of which 3 hours must be ethics. The requirement for adjusters to complete continuing education on or before their birthday will start January 1, 2012. Non-residents who have qualified by being licensed as an adjuster in their home state are exempt from continuing education requirements.

C. 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 professional designated program;
5. Any part of the Certified Insurance Counselor Program;
6. Any course offered by Certified Health Consultant;
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 producers' association, insurance trade association, or any independent program of instruction;
10. Any correspondence courses, including, but not limited to, correspondence courses offered via the Internet, subject to the following:

- 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. Electronic filings with the Arkansas Insurance Department's License Division ("License Division") are encouraged and permitted;
 - b. All correspondence course examinations must be proctored;
 - c. Proctors must provide an affidavit attesting under oath or affirmation that the correspondence or electronic course 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 Appendix G;
 - d. Appendix G must accompany the filing of the Appendix H roster with the License Division. Correspondence course providers shall maintain all records or electronic copies of records on proctors and proctored examinations;
 - e. Any person with no family or financial relationship to the licensed producer or adjuster may proctor an examination under this Rule;
 - f. Course providers' filings must explain how correspondence course exams will not be duplicated for any two (2) test takers; and
 - g. Correspondence courses approved and subsequently purchased by the producer or adjuster, prior to the effective date of this Rule, may 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, the active annual membership of the licensed producer or adjuster 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 or his designee appropriate written evidence acceptable to the Commissioner of such active membership in the organization or association.

D. 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 available during business hours;
 - e. Process to authenticate student identity; and
 - f. Method for measuring the student's successful completion of course material and for evaluating the learning experience.
- 3. Acceptable Procedures to determine Appropriate Number of Credit Hours - Select and File one (1) of three (3) 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).
- c. Method C:
- Oral Presentations: Providers may use the timed outline method for speeches and other oral presentations intended for continuing education credits. Providers should file a detailed description of the proposed subject of the program or course, including a timed course outline, list of any resource materials, and list of speakers or instructors or proctors.

E. Certificates and Evidence of CE Completion

Certificates of Completion (see Appendix E) which were issued to producers prior to the effective date of this Rule will be valid for filing with the Commissioner until the expiration date listed on the certificate. Course providers are no longer required to issue Certificates of Completion. Instead, filing of CE completion will be evidenced by the course provider upon filing with the Department either an Appendix G or an Appendix H roster within ten (10) days from the completion of the course of instruction. Upon specific request, course providers may continue to issue Certificates of Completion or other evidence of course completion, but no filing of such is to be made with the Department.

F. Course Repetition

Courses may not be repeated within a 2-year period of time.

SECTION 5. COURSE PROVIDER APPROVAL

- A. Forms. The following forms are prescribed by the Commissioner and are attached as exhibits to this Rule. All forms are available upon request to the Department or via the Department's web site at:

<http://insurance.arkansas.gov/License/forms.htm>

APPENDIX A-1	Course Application for Continuing Education
APPENDIX A-2	Adjuster Continuing Education Course Approval Form
APPENDIX A-3	Annuity Suitability Training Course Approval Form
APPENDIX B	Course Valuation
APPENDIX C	Continuing Education Provider Application
APPENDIX D	Application for Instructor Approval
APPENDIX E	Individual Certificate of Completion
APPENDIX F	Request for Exemption
APPENDIX G	Completion of Correspondence Course and Proctor Affidavit
APPENDIX H	Continuing Education Providers Reporting Roster, with Instructions

- B. Application for approval as a provider shall be submitted to the License Division 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.
 2. Completion of Appendices “A” and “B” and “D” for the initial certification, and completion of Appendices “C” and “D” upon any change in curriculum or instructor or proctor. Additionally, the Commissioner will accept, in lieu of Appendix “A” to this Rule, the most recent edition “Uniform Continuing Education Reciprocity Course Filing Form” published by the National Association of Insurance Commissioners. Similarly, the Commissioner may accept, in lieu of Appendices “B” through “H” to this Rule, the most recent editions of comparable forms published by the National Association of Insurance Commissioners.
 3. Schedules of classes, seminars and meetings for all locations.
- C. 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 6. INSTRUCTOR QUALIFICATIONS

- A. An approved instructor teaching any approved course of instruction or lecturing at any approved seminar or meeting shall qualify for one (1) hour credit for each hour presenting and/or attendance.
- B. Instructors must have had specific insurance training or educational experiences satisfactory to and approved by the Commissioner in order to be certified to teach any part of any approved course. Each instructor must have 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 Commissioner. Applicants for approval as an instructor shall complete and submit Appendix “D” to the License Division.
- 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 request.

SECTION 7. 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 8. FEES AND COMPLIANCE

- A. For each completed course, an approved course provider shall file with the Commissioner or his/her designee a roster in hard copy or electronic form as prescribed in Appendix "H". The course provider shall file the Appendix "H" roster with the Commissioner in a timely manner, but not later than ten (10) days from the completion of the course of instruction. A vendor is an individual, corporation, or legal entity hired by the Commissioner to facilitate the electronic functions of this Rule. The Commissioner may require providers to submit the course providers' Appendix "H" per course on a hard-copy or an electronic medium to the Department, or may require the provider to submit information to an outside vendor or other parties contracting with the Commissioner to maintain and update insurance licensees' continuing education data. **If an attendee does not sign the roster provided as Appendix "H", credit will not be granted for the course.** The course provider shall maintain copies of Appendix G in a format that is subject to review by the Commissioner.
- B. Every person/producer subject to this Rule shall tender a \$10 CE filing fee in the manner and at the time as directed by the Commissioner or by a vendor of the Commissioner until the implementation of the biennial renewal period. On or before their birthdate each biennial renewal period, Arkansas resident producers or adjusters who are required to meet continuing education requirements, must pay \$20.00 continuing education filing fee in accordance with Rule 57, simultaneously with the other fees required to renew or continue licensure.
- C. Excess educational hours accumulated during any biennial period may be carried forward only to the next biennial period, subject to other limitations in this Rule. Continuing education carried forward to the following calendar year shall expire upon commencement of the second (2nd) biennial 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 9. PENALTIES

- A. Upon failure of any producer to comply with Ark. Code Ann. §§ 23-64-301, et seq., the Commissioner shall take the steps enumerated in Ark. Code Ann. § 23-64-304(d) against such individual's license. Failure to comply with this Rule may result in imposition of penalties contained in Ark. Code Ann. § 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 at the Department regarding the fine. The underlying conduct of any licensee whose record has been sealed under Ark. Code Ann. § 23-64-304 shall be deemed as a matter of law never to have occurred, and the licensee is

not required to disclose the violation on any subsequent application after the records are sealed.

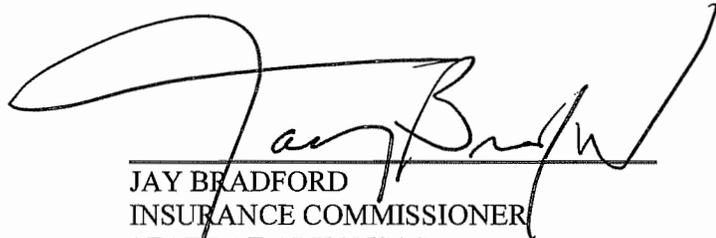
SECTION 10. SEVERABILITY

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.

SECTION 11. EFFECTIVE DATE AND APPLICABILITY

Rule 50 shall be effective on and after September 30, 2010 and shall be applicable to those persons licensed to act as an insurance producer or continuing education course provider, instructor or proctor, who must comply with Ark. Code Ann. §§_23-64-301, et seq., and other laws for continuation of producers' licenses and for the sale of the following types of insurance, as duplicates of or in addition to any listed elsewhere in this Rule:

- A. Life, and/or accident and health insurance,
- B. Property and/or casualty insurance, and
- C. Personal lines and
- D. Adjusters.



JAY BRADFORD
INSURANCE COMMISSIONER
STATE OF ARKANSAS

9-30-10
DATE