

May 25, 2005

BULLETIN 3-2005

TO: ALL LICENSED INSURANCE COMPANIES, HEALTH MAINTENANCE ORGANIZATIONS (HMOs), FARMERS MUTUAL AID ASSOCIATIONS AND COMPANIES, ALL KNOWN INSURANCE PRODUCER TRADE ASSOCIATIONS, ALL KNOWN INSURANCE COMPANY TRADE ASSOCIATIONS, AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: ACT 1948 OF 2005 – PRE-LICENSING EDUCATION HOURS FOR INSURANCE AGENTS, BROKERS AND PRODUCERS – EFFECTIVE ON AND AFTER AUGUST 12, 2005

Act 1948 amends Arkansas Code §23-64-202(b)(2)(A)(iii). Please note that the Act is effective on August 12, 2005, and addresses education hours for applicants for Arkansas licenses to be an insurance agent, broker or producer. Exempt are insurance adjusters or consultants.

When the Act is effective, the number of education hours, for a producer license applicant to meet Arkansas' pre-license education requirements, is reduced **from 36 hours to 20 hours per line of authority**. The lines of authority per this law are:

- **life,**
- **accident/health/sickness,**
- **property/casualty, and**
- **personal lines.**

The education hours allow for classroom instruction; and have added hours using electronic media.

The Department in advance must approve those pre-license hours, the course providers, and procedures. This Act will also apply to non-resident producer-applicants whose home state laws do not include the PLMA or whose state of domicile is not reciprocal with the State of Arkansas. Non-resident producers who move to Arkansas to establish residency, and whose home state laws are not reciprocal with Arkansas (as they do not include PLMA provisions similar to Arkansas), will be required to meet the pre-license education hour requirements.

The Act also added that an applicant shall not be required to take the five (5) hours of instruction on Arkansas laws and rules if he/she has taken those particular 5 hours for a previous line of insurance authority within the last two (2) years. Example - Only **15** pre-license hours for a new line of authority would be required for a resident applicant, who took 5 hours of insurance law/rules as pre-license hours for a previous license or line of authority six (6) months ago (as it is within the preceding two (2) years).

The Department will begin the steps necessary to amend Rule and Regulation 31, "Educational Requirements for Insurance Agents", in accordance with Act 1948 of 2005.

You may view Act 1948 of 2005 on the Internet at www.arkleg.state.ar.us under "ACTS".

Please contact the License Division of the Department for information at 501-371-2750 or email Insurance.License@Arkansas.gov for information.

(Signed by Julie Benafield Bowman)

JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS