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DIRECTIVE 1 – 2003

TO: ALL LICENSED INSURERS, ALL LICENSED HEALTH MAINTENANCE ORGANIZATIONS, ALL LICENSED FARMERS' MUTUAL AID ASSOCIATIONS, ALL LICENSED COURSE PROVIDERS, ALL INSURER AND AGENT TRADE ASSOCIATIONS, AND OTHER INTERESTED PARTIES.

FROM: ARKANSAS INSURANCE DEPARTMENT

SUBJECT: AGENTS / PRODUCERS CONTINUING EDUCATION,  
EFFECTIVE JULY 1, 2003

The Arkansas General Assembly passed Act 1784 of 2003 (H.B. 2769), amending Arkansas Code Annotated § 23-64-301 and 302 concerning producer continuing education requirements and exemptions. The Act is effective July 1, 2003. The purpose of this Bulletin is to clarify the Act's changes to Arkansas law for the benefit of all affected parties.

It is the position of the Department that the term "related" in the Act means courses of continuing education instruction regarding insurance in general. The Department interprets the term broadly to include any course pertaining to the business of insurance.

Further, it is the position of the Department that the requirement for one (1) hour of training in an ethics course shall become necessary for producers on January 1, 2004. For example, if a producer's anniversary or compliance date for continuing education falls between July 1, 2003 and December 31, 2003, that producer shall not be required to include the one (1) hour of training in an ethics course until the following anniversary date in 2004. However, those producers with an anniversary date beginning January 1, 2004 and following, will be required to have the necessary ethics training hour. As stated in the Act, all producers must comply with the requirement of one (1) hour of ethics training unless exempt under § 23-64-302. The one (1) hour of ethics training is to be included within the other hours of continuing education currently required for producers.

Finally, concerning the exemptions in § 23-64-302 (3) and (4) for producers who are at least sixty (60) years of age or who have held an active license as an agent, solicitor, consultant, or broker for a period of least fifteen (15) years, these two exemptions shall not be available for producers, agents, solicitors, consultants, or brokers that receive their initial license after July 1, 2003. The exemption, though, will still apply to those producers who received their initial license prior to July 1, 2003.

All insurers are responsible for notifying all appointed producers of this Directive. If you have any questions concerning the Directive, please contact the License Division, at (501) 371-2750, or at the following e-mail address: [Insurance.License@mail.state.ar.us](mailto:Insurance.License@mail.state.ar.us).

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MIKE PICKENS  
INSURANCE COMMISSIONER

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