

**RULE 50
PRODUCERS CONTINUING EDUCATION**

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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”) 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. Persons holding licenses for which an examination is not required;
 2. Adjusters and limited adjusters;
 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, 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;
 8. Licensed insurance consultants;
 9. Nonresident 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 of the Commissioner;
 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. The exceptions contained in Subsections (A)(4) and (5) of this Section are no longer applicable to insurance producers who became resident licensees after July 1, 2003, or insurance producers who have let the Arkansas producer license lapse and have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; and
 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 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 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. 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 one (1) year has not been reached prior to the 2006 expiration date.

SECTION 4. EDUCATIONAL REQUIREMENTS

- A. Number of Course Hours

Upon the effective date of this Rule, any non-exempt persons licensed as producers shall, annually on or before their birthdays, complete those courses of instruction approved by the Commissioner and equivalent to the following:

1. A total of eight (8) hours of instruction which must include one (1) hour of ethics for a life and/or accident and health line(s) of authority;
2. A total of eight (8) hours of instruction which must include one (1) hour of ethics for a property and/or casualty line(s) of authority;
3. A total of eight (8) hours of instruction which must include one (1) hour of ethics for personal lines of authority; and
4. A total of ten (10) hours of instruction which must include one (1) hour of ethics for producers holding dual licenses for life and/or accident and health as well as 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 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 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, 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 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.

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 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.

D. Certificates and Evidence of CE Completion

Certificates of Completion (see Appendix E) which were issued to producers prior to the effective date of Emergency Rule 50 will be valid for filing with the Commissioner for two (2) years from the date of the completion of the course. On the effective date of Emergency Rule 50 course providers will no longer be required to issue Certificates of Completion. Instead, filing of CE completion will be evidenced by the course provider filing with the Department an Appendix H roster within twenty (20) days from the completion of the course of instruction. Upon the specific request of producers, 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.

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 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://www.insurance.arkansas.gov/License/divpage.htm>

- 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, 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. A person 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 filing.

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 twenty (20) 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.

- B. Every person/producer subject to this Rule shall tender a maximum \$10 CE filing fee in the manner and at the time as directed by the Commissioner or by a vendor of the Commissioner. On or before their birthdate each year, Arkansas resident producers who are required to meet continuing education requirements, must pay an annual \$10.00 continuing education filing fee, simultaneously with the other fees required to renew or continue licensure.
- C. Excess educational hours accumulated during any annual period may be carried forward only to the next annual period, subject to other limitations in this Rule. Continuing education carried forward to the following calendar year shall expire upon commencement of the third (3rd) 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 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

The purpose of final Rule 50 is to replace in its entirety Emergency Rule 50, "Producers Continuing Education", which was issued by the Commissioner with an effective date of June 15, 2006. Final Rule 50 shall be effective on and after October 20, 2006 and shall be applicable to those persons licensed to act as an insurance producer or continuing education course provider, 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.

Julie Benafield Bowman

JULIE BENAFIELD BOWMAN
INSURANCE COMMISSIONER
STATE OF ARKANSAS

October 20, 2006

DATE

**ARKANSAS INSURANCE DEPARTMENT
APPENDIX B
COURSE VALUATION
FOR USE WITH RULE 50**

COURSE PROVIDER NAME _____

PROVIDER NUMBER _____

CONTACT PERSON _____

PROVIDER ADDRESS _____ CITY/STATE/ZIP _____

PHONE () _____ E-MAIL _____

COURSE TITLE: _____

Method of calculation used: _____ A _____ B _____ C

Printed material: _____ Electronic Medium _____

Provide calculations:

Hours requested based on calculation _____.

**ARKANSAS INSURANCE DEPARTMENT
APPENDIX C
CHANGE IN CURRICULUM OR INSTRUCTOR
FOR USE WITH RULE 50**

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

NAME OF TRAINING FACILITY _____
 COURSE PROVIDER NAME _____
 PROVIDER NUMBER _____
 CONTACT PERSON _____
 PROVIDER ADDRESS _____ CITY/STATE/ZIP _____
 PHONE () _____ E-MAIL _____
 COURSE NAME _____
 COURSE NUMBER _____

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

 Typed Name of Training Facility Official
 (Course Provider)

 Signature of Training Facility Official
 (Course Provider)

 Date

FOR DEPARTMENT USE ONLY	
APPROVED BY:	DATE:
DISAPPROVED BY:	DATE:

**ARKANSAS INSURANCE DEPARTMENT
APPENDIX D
APPLICATION FOR APPROVAL AS INSTRUCTOR
FOR USE WITH RULE 50**

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

COURSE PROVIDER NAME _____

PROVIDER NUMBER _____

CONTACT PERSON _____

PROVIDER ADDRESS _____ CITY/STATE/ZIP _____

PHONE () _____ E-MAIL _____

1) Applicant Name _____

Address _____ City/State/Zip _____ E-MAIL _____

Phone: Office () _____ Home () _____

2) Name and Address of Current Employer _____

_____ E-MAIL _____

3) Name of Sponsoring Training Facility _____

Course Provider _____

Course Provider Number _____ Address _____

City/State/Zip _____ Email _____

4) Please list all resident and non-resident insurance licenses you currently hold as agent, broker, producer, insurance consultant, adjuster, managing general agent, etc.:

5) Please summarize prior insurance experience and training, totaling two (2) or more years. (Attach addition 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
- c) 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 two (2) prior years, that the license(s) is currently in good standing; 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 _____, 20____.

Notary Public

My Commission expires: _____

(Notary seal)

FOR DEPARTMENT USE ONLY	
APPROVED BY:	DATE:
DISAPPROVED BY:	DATE:

ARKANSAS INSURANCE DEPARTMENT

**APPENDIX F
REQUEST FOR EXEMPTION
FOR USE WITH RULE 50**

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

Under Arkansas Code §23-64-302(3) and (4) as amended, I held an Arkansas producer license before July 1, 2003, and now am requesting the following exemption(s) Continuing Education Hours:

_____ 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, producer for a period of fifteen (15) consecutive years. Date first licensed _____

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)

Arkansas License Number(s)

Street Address

Telephone Number

City, State, Zip

E-MAIL ADDRESS: _____

Subscribed and sworn to or affirmed before me a notary public in and for the State of _____ on this _____ day of _____, 20____.

(Notary seal)

Notary Public

My Commission expires

**ARKANSAS INSURANCE DEPARTMENT
APPENDIX G
AFFIDAVIT OF PROCTOR
FOR USE WITH RULE 50**

COURSE PROVIDER NAME _____

PROVIDER NUMBER _____

CONTACT PERSON _____

PROVIDER ADDRESS _____ CITY/STATE/ZIP _____

PHONE () _____ E-MAIL _____

Name of Licensee Taking Examination _____

Arkansas Producer License Number(s) _____

Course Title/Name _____

Date of Examination _____

Location of Examination _____

Start Time: _____ End Time: _____

(Appendix G must be attached to Appendix H)

* * * * *

Proctor Name (Type or Print) _____

Proctor Address _____

DOI License Number _____

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 Classroom/Correspondence Course Provider. I personally opened, sealed, and numbered Exam # _____ on site for the test taken and assure the Commissioner that no attendee 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 false information shall be grounds for possible Insurance Code or Rule 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

**ARKANSAS INSURANCE DEPARTMENT
1200 WEST THIRD STREET
LITTLE ROCK AR 72201
PHONE: 501-371-2750**

**Instructions for Appendix H
Continuing Education Providers Reporting Roster
For Use with Rule 50**

Complete Items 1-12.

1. Provider Name---complete name of CE course provider
2. Provider Number---the number assigned to the provider by the Insurance Department
3. Provider Contact Name---the individual staff should contact for questions on the form
4. Phone Number---the provider's number staff should call for questions on the form
5. Date of Roster Submission---date the form is being sent to the Insurance Department; but in any event no later than twenty (20) days after the completion of the course
6. Course Title---the name of the course taken by the producer
7. License number---producer's license number assigned by the Department
8. Name of Producer---print the name of the producer (full legal name)
9. Signature of producer---the producer must sign the roster, Appendix H
10. Date of completion---the date the course was completed by the producer
11. Course Number---the number assigned by the Department to the course
12. Credit Hours---the hours credited for completion of the course when approved by the Department

If you should have any questions regarding this form, please contact the Department License Division at 501-371-2750; or email insurance.license@arkansas.gov.