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April

2007

Group Retiree Health Association/Affinity

Compliance *focus*

SHARING LEGISLATIVE CHANGES SURROUNDING LICENSING AND CONTINUING EDUCATION (CE)

Arkansas Producer Licensing & Reporting

Effective July 30, 2007, an insurance producer is prohibited from permitting any unlicensed person to engage in the business of insurance on behalf of the insurance producer. Specifically, the unlicensed person cannot sell, negotiate, engage, consult, or adjust in the business of insurance on behalf of the insurance producer. This law is also in effect with regard to an insurer, insurance consultant or adjuster.

Any administrative action taken against a producer in another jurisdiction or by another governmental agency in Arkansas must be reported within thirty (30) days after the final disposition of the matter. The report must include a copy of the order, consent order, or other relevant legal documents.

Any criminal prosecution of the producer taken in any jurisdiction must be reported within thirty (30) days after the producer enters a plea with the court. The report must include a copy of the initial complaint filed, the order resulting from the hearing, and any other relevant legal documents.





Ohio Changes to Agent Licensing

NEBRASKA SOCIAL SECURITY NUMBERS

Effective July 1, 2007, an applicant for an agent license must complete the pre-licensing education program and pass the licensing examination *prior to* submitting a completed application. An application must be submitted within 180 calendar days after the applicant passes the examination.

(Previously, the completed application was required of an applicant prior to the applicant taking the licensing examination.)



The Nebraska Department of Insurance will no longer use producers' social security numbers on appointments and/or cancellation invoices. Instead, the national producer numbers will be used.

The revised invoices will be used beginning April 1, 2007.

Ohio Agent pre-licensing education: Self-study

Effective July 1, 2007, a Self Study section (*previously specifically prohibited*) is added to the regulation of agent pre-licensing education as follows:

Self Study

- (a) In order to obtain credit for a self study course, an individual must receive a grade of seventy or greater on the proctored final examination given by the approved pre-licensing provider.
- (b) A provider's self study examination shall be administered only upon completion of a self study course and shall be supervised by a monitor approved by the provider.
- (c) Each student shall sign an affidavit provided by the approved provider stating that the student examination without assistance.
- (d) The following are minimum requirements for final examinations:
 - (i) Multiple choice items must have a minimum of four options;
 - (ii) Multiple choice items must have only one correct response;
 - (iii) Multiple choice answers must be grammatically consistent and parallel in form to eliminate obviously wrong answers;
 - (iv) No correct answer to one question shall provide a clue to the correct answer to any other questions in the chapter/section or examination;
 - (v) Questions shall be clearly written;
 - (vi) Questions shall adequately cover the course material.
- (e) Upon completion of a course, the authorized provider official shall submit to the superintendent on a form prescribed by the superintendent, the names of each student who completed the self study course.

“Self study” means any pre-licensing course that does not require a student attend organized classes, is completed by individual study, and ends with a proctored final examination given by the approved pre-licensing provider.

The Department of Financial Services will no longer mail the 90-day continuing education reminder letter.

Florida Continuing Education

“The Agent Education Database” has an online notification system that reminds licensees of their continuing education requirements 90 days prior to their due date. Licensees may view their licenses, appointments, continuing education status, continuing education transcripts, application deficiencies and much more through www.agents-florida.com and clicking on “My Profile” under “For Agents and Adjusters” , thus eliminating the need to contact the department for this information.

The department encourages all applicants/licensees to access all technological advances. Any questions should be addressed to the Bureau of Licensing at 850-413-3137.

Colorado: Continuing Education

Effective January 1, 2007, continuing education requirements have been amended in the following ways:

- The term “**Competency Examination**” has been added and defined as a closed book examination taken and passed by a producer without assistance and personally monitored by a disinterested third party, who is not a minor, not related to the producer, his immediate supervisor, or his/her employee. A score of 70% is required to pass the examination.
- A producer may now repeat an approved course and have it count toward the required hours as long as the course is not repeated within a two year period. Courses dealing with statutory updates are not subject to the two year waiting period.
- *In addition to “in-classroom” and “self-study” courses, “computer-based” courses and “live ‘webcast/video conference’ courses” will also be considered for approval.*
- Self-study and computer based courses must be approved courses followed by a competency examination as defined above. A disinterested third party for these purposes must also not be a person with an economic or other interest in assuring the successful outcome of the examination. Merely working for the same employer, however, is not sufficient to qualify someone as having an economic interest in the outcome of the examination as long as the person does not work in a marketing or sales capacity.

- See full text of bulletin for course provider requirements
- The following subjects/topics may not qualify as approved courses:
 - a. Courses used to prepare for taking an insurance license exam;
 - b. Computer science and automation;
 - c. Motivational, sales training, or psychology;
 - d. Communication, relationship building;
 - e. Prospecting, marketing, planning;
 - f. Courses primarily intended to impart knowledge of office procedures, administrative matters or personnel issues;
 - g. Service standards;
 - h. Investments or other courses that do not show a direct connection to insurance;
 - i. Time management;
 - j. Compliance (NASD/SEC);
 - k. Service vendors.



This bulletin briefly highlights a change(s) to state regulations that may affect your business. In no way should the bulletin be considered legal or financial advice. You should consult with your legal and/or business advisor(s) and rely on your advisor(s) for guidance before acting.