

Group Retiree Health Association/Affinity



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Compliance *focus*

SHARING LEGISLATIVE CHANGES SURROUNDING
LICENSING AND CONTINUING EDUCATION (CE)

IDAHO

Producer's Recordkeeping Requirements

Resident Agents only: A producer holding a license under this chapter shall make available through his principal place of business complete records of transactions placed through or countersigned by the producer.

Records shall include, but not be limited to:

- (a) The names and addresses of insurer and insured;
- (b) The policy or contract number and expiration date;
- (c) The premium amount payable on the policy or contract;
- (d) The date, time, insurer, insured and coverage of every binder made by the producer;
- (e) All disclosures made by a producer to an insured or to a prospective insured; and
- (f) any other such information as the director may reasonably require.

The records must be kept available for inspection by the director for at least five (5) years after the creation or the completion, whichever is later, of the respective transactions.

The records may be maintained off-site and in electronic form if the records can be made available for inspection through the producer's principal place of business upon reasonable notice by the director.



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ALABAMA

PRODUCER LICENSE RENEWAL

Resident and Nonresident Agents:

Business Entity producer licenses may now be renewed online. Beginning in 2008, all business entity producers should complete an application for license renewal by the 15th of November, and pay the applicable fee. Business entity producer licenses may be renewed between November 15 and December 31st, but will be subject to a \$50 late fee. Business entity Producer licenses will expire if not renewed by December 31st of each year.

IOWA

Continuing Education Requirements

Effective July 1, 2007

Resident Agents only: The law is amended to require resident individual insurance producers to complete continuing education requirements in order to be eligible for a license renewal unless exempted from such requirements under this law.

Producer License Amendments

Effective January 1, 2008

Resident Producer Amendment: A licensed producer desiring to be licensed in an additional line of authority must submit a completed application through the NIPR Gateway. Instructions are available at the Iowa division of insurance website (www.iid.state.ia.us). The licensed producer will also be required to pass any required examination for the additional lines of authority.

Nonresident Producer Amendment: A nonresident licensed producer desiring to be licensed in an additional line of authority must submit a completed application through the NIPR gateway as well. No examination is required.

MASSACHUSETTS

On-line Producer Licensing Renewal

Resident and Nonresident Agents: The Massachusetts Department of Insurance is implementing the first phase of their new Online Licensing for Individuals and Entities (OLLIE) system. OLLIE will allow individual resident and nonresident producers to renew licenses online and pay fees via EFT/ACH electronic funds transfer. Renewal licenses which do not require Department review will be processed immediately, and renewal licenses which do require review will be processed within 48 hours. All fees remain the same.

Producers will also be able to update their contact information through the "Producer Profile" function of OLLIE. This information eventually will be used for the "Producer Lookup" feature of OLLIE which will allow consumers to look up producer information.

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MARYLAND Use of Trade Names by Producers



Resident and Nonresident Agents: Trade Name is defined as any name, symbol or word, or combination of these which an insurance producer uses to identify its business occupation or self in a business capacity, and to distinguish itself from other business, occupations or persons.

A producer must use either the name in which their license is issued or file a Trade Name with the commissioner to engage in any business which a license is required.

NEW HAMPSHIRE RESIDENT AND NON RESIDENT AGENTS

Continuing Education: Effective July 11, 2007

Continuing education hours have been reduced from thirty to twenty four. The twenty four hours of credit must include at least three hours, but not more than ten hours of ethics credits. The continuing education course must provide at least 50 minutes of class time, unless the course is a self study course. Successful passage of the state producer licensing exam will satisfy the renewal continuing education requirement.

Fiduciary Obligation of Producers: Effective August 1, 2007

New Hampshire Department of Insurance has recently reissued their regulation on Fiduciary Obligation of Producers. The regulation requires resident and nonresident producers to hold insurance premiums as a trustee of the funds. Premiums must be kept in a separate trust fund created for the purpose of holding premiums. The producer must not commingle these premiums with the producer's personal funds. Return premiums must be remitted to the insured within 45 days, or be returned to the insurer for escheatment if the insured cannot be found. The producer must also keep accurate records of the trust fund.

Licensing/Appointment Termination: Effective October 18, 2007

If a producer license terminates, the appointments associated with that license will also terminate. If the producer license is subsequently reinstated, new appointments will need to be completed.

State Web Site: <http://www.nh.gov/insurance/>

RHODE ISLAND PRODUCER LICENSING

Resident and Nonresident Agents: The State of Rhode Island has amended its Producer Licensing Act by eliminating the definitions for "business entity" and "uniform business entity application" as well as removing "business entity" from the definition of "person". The section relating to a business entity acting as an insurance producer has also been deleted. *The effect of these deletions is to eliminate the requirement that a business entity obtain a separate insurance producer's license in addition to the license obtained by the individual insurance producer.*

The producer licensing fees were increased by \$5.00 to the following amounts: Initial Insurance Producer License \$55.00; Annual Insurance Producer Renewal \$55.00; Annual Contract Fee \$30.00.

With respect to the requirement that all holders of resident insurance producer licenses maintain Errors & Omissions Insurance, the statute now specifies that the limits of that insurance must not be less than \$250,000 per claim or \$500,000 annual aggregate. A section was added to allow the department of business regulation to grant a written exemption from the Errors & Omissions requirement to any producer who shows that he/she is not engaged in the sale, solicitation or negotiation of insurance. The exemption, however, shall only be valid while the insurance producer is not engaged in the sale, solicitation or negotiation of insurance.

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OKLAHOMA RESIDENT AGENTS ONLY

Effective November 1, 2007

Resident Provisional Producer Licensing Requirements: The new requirements for an individual applying for a *resident insurance producer license* are that the individual applying for such license must:

1. have held a provisional insurance producer license for six (6) months; or
2. been a participant in an approved training program offered by an insurance company licensed in the State of Oklahoma; or
3. have completed a pre-licensing course of study for the lines of business for which the person has applied.

A person applying for a *resident provisional insurance producer license* is required to make an application to the Insurance Commissioner on the Uniform Application or an application approved by the Commissioner and declare under penalty of refusal, suspension, or revocation of the license that the statements made in the application are true, correct and complete to the best of that individual's knowledge and belief. Conditions of a provisional license include:

1. The provisional licensee shall write business only under the supervision of the sponsor;
2. The sponsor shall sign all sales applications;
3. The provisional licensee cannot receive any commissions and cannot sell, solicit or negotiate insurance in the State of Oklahoma without supervision by the sponsoring producer;
4. The provisional licensee shall take eight (8) hours of approved pre-license education courses to include, but not limited to: insurance agency administration; ethics; and fiduciary responsibility.
5. The provisional license will expire six (6) months from the date of issue;
6. A provisional licensee or sponsoring producer who violates any of these provisions shall be subject to an administrative penalty in accordance with the law.

Effective July 1, 2007

The time frame in which the appointing insurer or an authorized representative of the insurer, must file a notice of appointment is changed from forty-five (45) days to fifteen (15) days from the date the agency contract is executed or the first insurance application is submitted. The notice must be in a format approved by the Insurance Commissioner.

An applicant applying for a resident insurance producer license is no longer required to submit either a letter from the appointing insurer verifying acceptance of responsibility for the actions of the applicant, or submit and maintain an error and omissions policy.

Producer Information Available for Public Inspection: the following items will not be subject to public records: residence telephone numbers; residence address; social security number; and date of birth. A separate business or mailing address provided by the licensee will be considered a public record. If the residence *and* business addresses or residence *and* business telephone numbers are the same, they will be considered a public record.

Producer Continuing Education Requirements: The DOI may promulgate rules providing, that courses or programs offered by specified professional associations shall qualify for presumptive continuing education credit approval. The rules shall include standardized criteria for reviewing the professional associations' mission, membership, and other relevant information, and shall provide a procedure for the Department to disallow all or part of a presumptively approved course. Professional association courses approved in accordance with the rule shall be reviewed every three (3) years to determine whether they continue to qualify for continuing education credit.

State Web Site: <http://www.oid.state.ok.us/>



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