

CHAPTER 11
CONTINUING EDUCATION FOR
INSURANCE PRODUCERS

[Prior to 10/22/86, Insurance Department[510]]

191—11.1(272C) Statutory authority—purpose—applicability.

11.1(1) These rules are adopted pursuant to the general rule-making authority of the insurance commissioner in Iowa Code chapter 505 and the specific authority in Iowa Code chapter 272C to issue rules establishing continuing education requirements for resident and nonresident insurance producers.

11.1(2) The purpose of these rules is to establish requirements by prescribing:

- a. The minimum continuing education in approved subjects that an insurance producer must complete;
- b. The procedure and standards that the division will utilize in the approval of subjects or courses;
- c. The procedure for establishing that the required continuing education has been completed; and
- d. Enforcement criteria and guidelines.

11.1(3) These rules do not apply to:

- a. A nonresident producer who resides in a state or district having a continuing education (CE) requirement for insurance producers and who meets all requirements of that state or district for practice therein; except such nonresident producer must complete the producer renewal report described in rule 11.4(272C), which shall include a certification letter from the producer's resident state certifying that the producer is in compliance with the CE requirements of the resident state and the fee described in subrule 11.9(1).
- b. A producer who is qualified and licensed only for credit accident and health and credit life, or a producer who is qualified and licensed only for crop insurance.
- c. Licensed attorneys who are also producers, upon submission of proof of continuing legal education for the appropriate calendar years during the CE term; except such licensed attorney must file proof of continuing legal education and pay the continuing education fee described in subrule 11.9(1).
- d. A producer who serves full-time in the armed forces of the United States of America on active duty during a substantial part of the CE term; except the producer must complete the producer renewal report described in rule 11.4(272C) and submit evidence of such service.
- e. Rescinded IAB 2/28/96, effective 4/3/96.

191—11.2(272C) Definitions.

"Annually" means each calendar year between January 1 and December 31.

"Approved subject" or *"approved course"* means any educational presentation involving insurance fundamentals, insurance law, insurance policies and coverage, insurance needs, insurance risk management, or other areas, which is offered in a class, seminar or other similar form of instruction, and which has been approved by the division under this chapter as expanding skills and knowledge obtained prior to initial licensure or developing new and relevant skills and knowledge.

"Basic subjects" courses are those courses which do not directly pertain solely to life, accident and health or property/casualty insurance but involve general fundamental insurance concepts.

"CE" means continuing education as defined in Iowa Code section 272C.1(1).

"CE term" means the three-year period prior to the producer's renewal year. However, if a producer receives a license classification within the three-year period prior to the producer's renewal year, the CE term will mean the period starting from the date the license classification is received until the producer's renewal year.

"Credit" means continuing education credit. One credit is 50 minutes of instruction in an acceptable topic, not including breaks or meal periods.

"License" means the authorization issued to an individual by the commissioner of insurance to act as an insurance producer.

“*Producer*” means a natural person who is required to obtain an insurance license under Iowa Code section 522.1, and who is properly qualified and licensed for the type and kind of insurance being marketed.

“*Producer renewal report*” includes:

1. The form issued by the division with which producers apply for renewal of the producer license and verify CE credits on file with the division;
2. The continuing education fee described in rule 11.10(272C);
3. The license fee set forth in rule 191—10.20(522); and
4. A nonresident producer who resides in a state or district that has producer CE requirements must include a certification letter from that producer’s resident state or district which states that the producer is in compliance with CE requirements.

“*Renewal year*” means the following:

1. For producers born during the months of January, February, March, and April, the renewal year is 1996 and every third year thereafter.
2. For producers born during the months of May, June, July, and August, the renewal year is 1994 and every third year thereafter.
3. For producers born during the months of September, October, November, and December, the renewal year is 1995 and every third year thereafter.

“*Repeat course*” means a course that has been previously approved and the exact course is being repeated at a later date and may entail a change of location.

“*Revised course*” means a course that has been previously approved but changes have been made as to the title, content or length of the topics.

“*Roster*” means a listing of all attendees at an approved course and includes the Iowa course number, producer social security number, the date the course was completed, and the actual number of the hours attended by each producer.

191—11.3(272C) Continuing education requirements for producers unless exempted under sub-rule 11.1(3).

11.3(1) Every licensed producer who holds a property/casualty qualification or legal expense qualification shall obtain a minimum of 30 credits for each CE term in courses certified for property/casualty credit. Effective January 1, 1996, newly licensed producers are required to complete only 10 CE credits for each year remaining in the CE term following the year of initial licensure.

11.3(2) Every licensed producer who holds a life/accident and health, or variable contracts qualification shall complete a minimum of 30 credits for each CE term in courses certified for life/accident and health credit. Effective January 1, 1996, newly licensed producers are required to complete only 10 CE credits for each year remaining in the CE term following the year of initial licensure.

11.3(3) Rescinded IAB 2/28/96, effective 4/3/96.

11.3(4) Rescinded IAB 2/28/96, effective 4/3/96.

11.3(5) Producers who earn credits from courses certified as basic subjects must apply those credits toward either the property/casualty continuing education requirement or to the life/accident and health continuing education requirement. The producer must inform the provider of the allocation of these basic credits on the day of completion of the CE course. For good cause, a producer may request reassignment of basic credits when the producer’s license is up for renewal.

11.3(6) An instructor of an approved subject is entitled to the same credit as a student completing the subject, but may receive such credit only once in the CE term regardless of the number of times the producer instructs the course.

11.3(7) A producer cannot carry over CE credits earned in excess of the producer’s CE term requirements from one CE term to the next.

11.3(8) A producer may receive CE credit for an approved continuing education self-study course when the producer passes the examination. Credit will apply in the CE term during which the examination is received by the provider for scoring purposes.

11.3(9) A producer may not receive CE credit for courses taken prior to the issuance of an initial license, or of an amended license with new qualifications.

11.3(10) A producer may elect to comply with the CE requirements by taking and passing the appropriate examination for each qualification held by the producer. These examinations must be completed within the six-month period prior to the expiration of the producer's license.

191—11.4(272C) Proof of completion of continuing education requirements.

11.4(1) All producers must file a producer renewal report with the division before February 28 of the producer's renewal year. Every producer shall maintain a record of all courses attended by keeping the original certificates of completion as provided in subrule 11.6(1) for four years after the end of the year of attendance.

11.4(2) A producer cannot receive credit for the same course twice in the CE term. It is the producer's responsibility to determine whether a course is the same as one previously taken by comparing the course number, course title, and topics.

11.4(3) If the producer renewal report is submitted showing compliance in one category of qualification but not another, the renewal license will be issued only for those lines for which compliance has been shown.

11.4(4) Waiver of CE requirements.

a. A waiver will not be issued to an agent unless the division finds that good cause exists. A waiver may only be issued for up to ten credits per category per CE term.

b. Good cause shall be defined as an inability to devote sufficient hours to fulfilling the CE requirements during the CE term because of (1) a long-term, severe illness or incapacity, evidenced by a doctor's certification, or (2) extenuating circumstances.

11.4(5) Rescinded IAB 2/28/96, effective 4/3/96.

191—11.5(272C) Course approval.

11.5(1) Any school, insurer, industry association or other organization intending to provide a course, program of study, or subject for continuing education credit must submit a request for approval of such course to the division.

a. Except as provided in paragraph 11.5(1) "b," requests for approval shall be submitted at least 30 days prior to the beginning of the course. Requests received later may be disapproved.

b. The request for approval of any recognized national program may be filed within 60 days after the course is given. This course will be reviewed and may be approved for up to the number of hours credited for passage of the national examination. This exception applies only to approved courses or subjects offered by CIC institutes and classroom study of CLU, ChFC, CFP, CPCU, LOMA, LUTC, HIAA courses and similar courses as determined by the division. The number of hours approved will not exceed the maximum hours a producer may report for one CE term.

c. The division may enter into a contractual arrangement with qualified private continuing education clearinghouse(s) to assist the division with review of continuing education providers and courses.

11.5(2) The following information shall be furnished with the request for approval of a CE course:

- a.* Name and address of provider or sponsoring organization;
- b.* Name, telephone number, and signature of the contact person for the provider;
- c.* Course title;
- d.* Date(s) course will be offered;
- e.* Location(s) where course will be offered;
- f.* Whether the course is new, repeat, or revised;
- g.* If it is a repeat course or a revised course, the course number;
- h.* If it is a new course, or if it is a repeat course but the instructor has been changed, the new instructor's name and qualification;
- i.* If it is a new or revised course, an outline including: a schedule of times when subjects will be presented; the topics covered in the course, listed individually; and a summary of the instruction given and the material covered for each topic; and
- j.* Number of credit hours requested.

k. A copy of any disciplinary action taken against the provider by any other state licensing authority.

11.5(3) The course must be conducted in accordance with the course outline and materials that were approved by the division. Failure to conduct courses in such a manner will automatically void the approval and may result in removal of the provider from the approved provider list.

11.5(4) Topic guidelines.

a. The following course topics are examples of subjects that most likely will qualify for approval:

- (1) Rating;
- (2) Tax laws (specifically related to insurance);
- (3) Policy contents;
- (4) Proper uses of products;
- (5) Ethics;
- (6) Risk management;
- (7) Iowa insurance code and administrative rules;
- (8) Technical information related to the insurance license;
- (9) Agency management techniques related to errors and omissions claims prevention;
- (10) Estate planning/taxation;
- (11) Wills and trusts; and
- (12) Financial planning.

b. The following course topics are examples of subjects that will not qualify for approval:

- (1) Sales;
- (2) Motivation;
- (3) Prospecting;
- (4) Psychology;
- (5) Communication skills;
- (6) Prelicense training;
- (7) Supportive office skills (typing, filing, computers, etc.);
- (8) Personnel management;
- (9) Recruiting; and
- (10) Other subjects not related to the insurance license.

11.5(5) A provider may request that its materials furnished for approval be kept confidential on the grounds that they are of a proprietary nature and intended only for its producers and employees. The division will review and return such materials if a stamped self-addressed envelope of sufficient size and with sufficient postage is included by the provider.

11.5(6) A copy of all course materials must be provided by the provider upon request by the division.

11.5(7) The provider is responsible for assigning hours to the appropriate category(ies):

- a. Property/casualty;
- b. Life/accident and health; or
- c. Basic subjects.

11.5(8) To qualify to be approved a course or subject must be offered for at least one credit, as defined in rule 11.2(272C). Only whole credits can be used.

11.5(9) Notification will be sent to the provider indicating approval or disapproval. Approved courses will be assigned a course number.

191—11.6(272C) Provider's responsibilities.

11.6(1) Once a course is approved, the provider shall issue a standard Iowa certificate of completion to each person who satisfactorily completes a course within 20 days. The certificate shall be signed by either the course instructor or the provider's authorized representative. A provider also shall maintain a list, for at least four years from the end of the year in which the course is offered, of all persons who attend the course. Upon request by the division, a provider must submit copies of course attendance records.

11.6(2) The certificate of completion used by the provider must be in the standard Iowa form provided by the division or a substantially similar form which shall include:

- a. The producer's name;
- b. Social security number;
- c. Course number;
- d. Course title;
- e. Date and location of the course;
- f. The number of hours for which the course has been approved;
- g. The category for which those hours have been approved; and
- h. The signature of the appropriate person.

11.6(3) A provider of an approved course is responsible for both the attendance of the students and their attention. A provider must refuse to grant the student any credit for time periods when the student was absent.

11.6(4) Providers who desire to give an approved course in a later calendar year need to submit a request for approval indicating whether it is a repeat or revised course as required by paragraph 11.5(2) "f," also including all items described in paragraph 11.5(2) "i."

11.6(5) Upon request by the division, an approved course shall be taped by the provider's representative and such tapes shall be promptly submitted to the division.

11.6(6) If an approved course is to be canceled, the provider is responsible for notifying those registered for the course at least seven calendar days prior to the scheduled date.

11.6(7) A provider shall reimburse all reasonable costs of an audit by this division. Governmental bodies, such as community colleges and universities, shall be exempt from this requirement.

11.6(8) Providers must submit rosters of all course attendees to the division. These reports must be received at the division by the tenth day of the month following the month in which the course is completed. Rosters shall be submitted in computer disk format in a manner prescribed by the division. Providers who are unable to provide rosters in a computer disk format may request permission from the division to submit rosters in a typewritten format.

191—11.7(272C) Enforcement—providers.

11.7(1) The division may discipline a continuing education provider, as provided in subrule 11.7(2), upon finding any one or more of the following:

- a. Advertising, prior to approval, that a course is approved;
- b. Submitting a course outline with material inaccuracies in timing or topic content;
- c. Presenting nonapproved material, as described in paragraph 11.5(4) "b," during the time of an approved course;
- d. Failing to present a course for the total amount of time specified in the request form submitted to the division;
- e. Preparing and distributing certificates of completion before the course has been approved;
- f. Issuing inaccurate or incomplete certificates of attendance;
- g. Refusing to issue certificates of completion to any participant who satisfactorily completes an approved course, except when subrule 11.6(3) applies;
- h. Failing to notify course registrants of a cancellation pursuant to subrule 11.6(6);
- i. Failure to timely file class attendance reports;
- j. Issuing incomplete certificates of completion;
- k. Failure to report disciplinary action taken by another state licensing authority; or
- l. Any other action inconsistent with the spirit of Iowa Code chapter 272C or these rules.

11.7(2) The division may make an independent finding of a violation and place a provider on probation or suspension. If the provider is not in agreement with such finding, the provider shall have 20 working days from the date of the notification to submit a statement showing cause why such action should not be taken. In addition, the division may do any one or more of the following upon a finding of a violation of subrule 11.7(1):

- a. Require the provider to pay a fine not to exceed \$1,000 per violation;
- b. Require the provider to pay a restitution of the course admission fee to all participants;

- c. Require the provider to provide or reimburse students for a suitable course to replace the course that was found in violation;
- d. Withdraw the approval of courses sponsored by such provider for a set period of time or indefinitely; or
- e. Take other disciplinary action permitted by statute.

191—11.8(272C) Enforcement—producer compliance. If a producer has not renewed the license prior to April 30 of the renewal year, the license will be canceled. A producer may reinstate a canceled license up until October 31 of the renewal year by proving that, during the CE term, the producer met the CE requirements found in IAC 191—Chapter 11, and by paying appropriate late fees, CE fees and license fees. A previously licensed resident producer who does not prove compliance with the CE requirements by October 31 of the renewal year must apply for a new license. A previously licensed nonresident producer who cannot prove compliance with the CE requirements may either take the appropriate Iowa examination(s) prior to October 31 of the renewal year or wait until November 1 of the renewal year and apply for a new license.

191—11.9(272C) Fees and costs.

11.9(1) The fee for filing the producer renewal report to which rules 11.2(272C) and 11.4(272C) refer is \$30.

11.9(2) The late fee for filing a producer renewal report to which rule 11.8(272C) refers is \$100 in addition to the fee set forth in subrule 11.9(1).

11.9(3) The fee for retrieval of copies of a producer renewal report is \$10.

These rules are intended to implement Iowa Code chapter 272C.

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