

Regulation I-2000-02

**Continuing Education Requirements for Insurance Producers
Amended 11/22/07**

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Section 1. Purpose and Scope

- A. The purpose of this regulation is to implement the provisions of Title 8 V.S.A. §4800a relating to continuing education of insurance agents or brokers.
- B. This regulation applies to producers for any line of insurance except a nonresident producer who resides in a state or district that has a continuing education requirement and who has satisfied such requirement, and submits documentation of continuing education completion to the Commissioner or a designated outside vendor in the manner prescribed by the Commissioner for such submissions.

Section 2. Authority

The authority for this regulation is Title 8 V.S.A. § 15 and §4800a.

Section 3. Definitions

As used in this regulation:

- A. “Commissioner” means the Commissioner of Banking, Insurance, Securities and Health Care Administration of Vermont.
- B. “Course” means any continuing education presentation for producers approved by the Department under this regulation.
- C. “Credit hour” means fifty minutes of classroom instruction or the equivalent thereof as determined by the Commissioner.
- D. “Department” means Vermont Department of Banking, Insurance, Securities and Health Care Administration.
- E. “Instructor” means an individual responsible for teaching an approved course.
- F. “License” means a document issued by the Department attesting that a person has met the standards to act as an agent under Title 8 V.S.A. §4800, and authorizing the person to do business as an insurance agent or broker.
- G. “Producer” means an individual authorized to act as an agent or broker and holding a license issued by the Department to conduct insurance related business.
- H. “Provider” means a person or entity approved by the Commissioner to offer courses.
- I. “Review Period” means a twenty-four (24) month period beginning April 1 of odd-numbered calendar years and ending two (2) years later on March 31.

Section 4. Continuing Education Requirements for Producers

- A. Beginning October 1, 2002, upon a producer’s license renewal, and every renewal thereafter, a producer shall have satisfactorily completed twenty-four (24) hours of

approved continuing education courses during the preceding two years, except as provided under subsection (B) of this section.

- B. The continuing education requirements of subsection A shall not apply to a producer until after the first renewal or first eligibility for renewal of his or her license, on or after October 1, 2000.
- C. Satisfactory completion of the requirements described in subsection A shall be a pre-condition for license renewals sought on or after October 1, 2002.

Section 5. Providers

- A. Any person seeking to offer courses must be registered with and approved by the Commissioner.
- B. A provider shall apply for registration on an application form approved by the Commissioner in the manner prescribed by the Commissioner. The provider shall be notified within forty-five (45) days of the date of the receipt of a completed application whether the application has been approved or disapproved. If the Commissioner or an outside vendor requests additional information to review an application, the provider shall have up to thirty (30) days to comply with the request. If such a request is not satisfied within the thirty (30) day period, the application will be disapproved.
- C. To qualify for approval, a provider must demonstrate financial and organizational stability and demonstrate it has the resources to ensure its course offerings and that instructors satisfy the requirements of this regulation.
- D. The Commissioner shall set a registration period of twenty-four (24) months.

- E. A provider must renew its registration in the manner prescribed by the Commissioner at least 60 days prior to the expiration of the registration period. Failure to renew registration will result in the expiration of the provider's approval and all of such provider's previously approved courses.
- F. An approved provider shall have the responsibility to:
1. Provide the name, address and phone number of a contact person for each course submitted for approval.
 2. Provide the name and qualifications of each course instructor as prescribed in Section 8 (a).
 3. Promptly notify the Commissioner or outside vendor of changes to a course or instructor that has been approved.
 4. Ensure that the course provides students with current and accurate information.
 5. Provide students in a course with the following information in writing:
 - a. Course title.
 - b. Number of credit hours the course provides.
 - c. Date, time, and location where the course is offered.
 - d. Name, address, and telephone number of a contact person for the course.
 - e. A textbook or detailed outline of the subject matter being taught.
 6. Supervise and evaluate instructors and course offerings.
 7. Investigate complaints relating to courses or instructors.
 8. A provider must refuse to award continuing education credit for periods for which the provider knows a student was absent.

9. Maintain accurate records of courses offered, instructors, student attendance, and student course completion for at least five (5) years from the date of course completion.
10. Notify the Commissioner or outside vendor in a format prescribed by the Commissioner of producers who have successfully completed a course within fifteen days of the date of course completion.
11. Issue a certificate of completion to each person who satisfactorily completes a course. The certificate must be issued within twenty (20) days of course completion in the format and manner prescribed by the department.

G. A provider shall:

1. Only advertise a course that has been approved in writing by the Commissioner or outside vendor.
2. Prominently display or announce in an advertisement the number of credit hours assigned to the course and the fee for the course.
3. Not engage in advertising that is false, misleading or deceptive.
4. At the request of the department, videotape a course and promptly submit such recording to the department.
5. At the request of the department, provide a copy of all course materials.
6. Promptly report to the department any disciplinary action taken against a provider by another state.

H. A provider shall comply with the following standards regarding fees:

1. If a course is cancelled for any reason, the provider shall refund the fees for a course within thirty (30) days of cancellation or, at the request of the producer, transfer the fee to another course offered by the provider.

2. A provider shall provide each student with a written refund policy that addresses withdrawal from or failure to complete a course.
- I. A provider that employs producers or has producers as members may not require those producers to attend the provider's courses.

Section 6. Courses

- A. To qualify for approval, a course must be designed to expand insurance skills and knowledge relating to insurance.
- B. Any approved and active continuing education provider may submit a request for approval of any course, program of study, or subject for continuing education credit to the Commissioner or outside vendor on a form prescribed by the Commissioner.
- C. Requests for course approvals that do not include all required information will be returned as incomplete.
- D. A provider shall file an application for course approval on an application approved by the commissioner in the manner prescribed by the Commissioner. A provider shall be notified of course approval or disapproval within forty-five (45) days of the date of the receipt of a complete application. If the Commissioner or outside vendor requests additional information, the provider will have up to thirty (30) days to comply with the request. If the request is not satisfied within the thirty (30) day period, the application will be disapproved. No course may be advertised for continuing education prior to the provider receiving approval for the course.
- E. The Commissioner shall set a course approval period of twenty-four (24) months.
- F. Prior to expiration of course approval, a provider must apply for renewal of a course on a form prescribed by the Commissioner at least sixty (60) days prior to the course

approval expiration date. If a provider fails to timely complete the course renewal process, the course approval will lapse.

G. The Commissioner or outside vendor will only approve courses that contribute to the professional competence of producers. Courses or programs shall meet the Commissioner's standards for an approved course.

1. Examples of topics that will qualify for approval include: insurance coverage, rating, tax law, policy content, ethics, risk management, Vermont insurance code and rules, estate planning and insurance agency management.
2. Examples of topics that will not qualify for approval include: sales, motivation, communication skills, prelicense training, and subjects not related to insurance.
3. The license of a producer who has failed to satisfy the continuing education requirements, and who has not been granted an extension, shall not be renewed.

H. A producer may receive continuing education credit for self-study courses approved by the Commissioner or outside vendor and subject to successfully passing an examination administered by the course provider.

I. The Commissioner or outside vendor may deem the approval of a continuing education course by another state insurance department as adequate evidence that a course is eligible for approval and award the same number of credits for the course as are awarded by the other state.

Section 7. Credit Hours

A. General information

1. The Commissioner or outside vendor will determine the number of credit hours to be assigned for each approved course. Credit hours will not include time spent on meals, breaks or other activities unrelated to the course.
2. A continuing education course must be offered for a minimum of one credit.
3. To receive credit, a producer must complete all of the requirements of an approved course, including attendance and examination requirements.
4. A producer may not earn credit for attending a subsequent offering of the same course within the same continuing education review period.
5. A producer shall maintain records of credit hours for the current and most recently completed licensing periods by keeping the original continuing education certificate of completion, and shall be prepared to demonstrate compliance with continuing education requirements at the commencement of the license renewal process.

B. Credit hour requirements

1. An instructor of an approved subject is entitled to the same credit as a student completing that course and may receive such credit once during a review period.
2. A producer cannot carry over continuing education credits earned in excess of the producer's continuing education requirements from one review period to the next.
3. A producer cannot have more than six (6) hours of the producer's twenty-four (24) hours of continuing education related to insurance agency management in any one review period.

4. Beginning with the review period ending March 31, 2009, a producer must have at least three (3) hours of the producer's twenty-four (24) hours of continuing education related to ethics.
5. Beginning with the review period ending March 31, 2009, a producer licensed to sell property and casualty insurance must complete one, three (3) hour course of the producer's twenty-four (24) hours of continuing education related to the National Flood Insurance Program (NFIP). This requirement:
 - a. shall apply to all producers licensed to sell property and casualty insurance, regardless of whether a producer sells flood insurance;
 - b. shall not apply to a producer until after the first renewal or eligibility for renewal of his or her license; and
 - c. is a one-time requirement that does not apply to future review periods for a producer.

Section 8. Instructors

- A. The provider shall ensure that each instructor of a course possess one or more of the following requirements:
 1. A minimum of three (3) years experience in the subject matter being taught.
 2. A degree in the subject matter being taught or,
 3. A minimum of two (2) years experience as an agent or broker and a minimum of six (6) months experience in the subject matter being taught.
- B. Instructors shall have the responsibility to:
 1. Comply with the requirements of this regulation.
 2. Provide students with current and accurate information.

3. Provide accurate records of successful course completion to the course provider within ten (10) working days from the date of the course.

Section 9. Extension

- A. For good cause shown, the Commissioner may extend, for no longer than six months, the period of time for completion of continuing education requirements for a review period.
- B. The Commissioner shall suspend the license of any applicant who, after receiving an extension of time as set forth in subsection (A) of this paragraph, has not satisfactorily completed the continuing education requirements.

Section 10. Advisory Board

- A. By January 1, 2001, the Commissioner shall establish a continuing education Advisory Board. The Board will be composed of insurance professionals and consumers. Board members will serve at the pleasure of the Commissioner.
- B. The Advisory Board shall make recommendations to the Commissioner regarding the continuing education requirements of this regulation.

Section 11. Outside Vendors

The Department may contract with an outside vendor to administer continuing education requirements, including approval of courses and course providers, collection and maintenance of records, and compliance monitoring. The costs of an outside vendor shall be borne by applicants for a producer license renewal and by course providers through fees imposed by the outside vendor. All fees charged by the outside vendor will be

subject to the prior approval of the Commissioner and may be payable directly to the outside vendor.

This regulation, as originally adopted, is effective February 1, 2001, and as amended is effective November 22, 2007.

Paulette J. Thabault, Commissioner