

**Document:** Proposed Rule, **Register Page Number:** 27 IR 271

**Source:** October 1, 2003, Indiana Register, Volume 27, Number 1

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## TITLE 760 DEPARTMENT OF INSURANCE

### Proposed Rule

LSA Document #03-160

### DIGEST

Amends 760 IAC 1-50 regarding continuing education providers to conform with P.L.132-2001. Effective 30 days after filing with the secretary of state.

**760 IAC 1-50-2**

**760 IAC 1-50-7**

**760 IAC 1-50-3**

**760 IAC 1-50-13**

**760 IAC 1-50-4**

**760 IAC 1-50-13.5**

**760 IAC 1-50-5**

SECTION 1. 760 IAC 1-50-2 IS AMENDED TO READ AS FOLLOWS:

#### **760 IAC 1-50-2 Definitions**

**Authority:** IC 27-1-15.7-7

**Affected:** IC 27-1-15.6-2; IC 27-1-15.7-2; IC 27-1-15.7-6

Sec. 2. In addition to the definitions in ~~IC 27-1-15.5-2~~, **IC 27-1-15.6-2**, the following definitions apply throughout this rule:

(1) "Advisory council" means the insurance ~~agent~~ **producer** education and continuing education advisory council created by ~~IC 27-1-15.5-20~~. **IC 27-1-15.7-6**.

~~(2) "Agent" means an insurance agent as defined by IC 27-1-15.5-2 and shall also include a solicitor licensed under IC 27-1-15.5-18.~~

~~(3) "Commissioner" means the commissioner of the department of insurance.~~

~~(4) (2) "Department" means the department of insurance.~~

**(3) "Producer" means an insurance producer as defined by IC 27-1-15.6-2(7) and shall also include a solicitor licensed under IC 27-1-15.6-2(7).**

~~(5) (4) "Provider" means an individual, insurance company, insurance trade association, accredited college, or insurance education institution that offers an insurance ~~agent~~ **producer** continuing education course that is approved by the commissioner.~~

*(Department of Insurance; 760 IAC 1-50-2; filed Feb 23, 1993, 5:00 p.m.: 16 IR 1825; filed Nov 4, 1999, 10:12 a.m.: 23 IR 572)*

SECTION 2. 760 IAC 1-50-3 IS AMENDED TO READ AS FOLLOWS:

#### **760 IAC 1-50-3 Continuing education credit hour defined**

**Authority:** IC 27-1-15.7-4; IC 27-1-15.7-7

**Affected:** IC 27-1-15.7-2

Sec. 3. (a) A continuing education credit hour is based on a one (1) hour block of time. Fifty (50) minutes of instruction in a sixty (60) minute period will constitute one ~~(10)~~ **(1)** continuing education credit hour. Time designated by the provider as break time may not be considered when computing course credit hours.

(b) Continuing education credit hours will be approved in no less than one-half (½) hour increments.

(c) Except as provided in section 4(i) of this rule, two (2) continuing education credit hours are the minimum number of hours that will be approved for a continuing education course.

(d) Eight (8) hours of classroom instruction per day are the maximum number of hours that will be approved for a continuing education course. (*Department of Insurance; 760 IAC 1-50-3; filed Feb 23, 1993, 5:00 p.m.: 16 IR 1825; filed Nov 4, 1999, 10:12 a.m.: 23 IR 573*)

SECTION 3. 760 IAC 1-50-4 IS AMENDED TO READ AS FOLLOWS:

**760 IAC 1-50-4 Application requirements**

**Authority:** IC 27-1-15.7-4; IC 27-1-15.7-7

**Affected:** IC 27-1-15.7-2

Sec. 4. (a) Any individual, insurance company, insurance trade association, insurance ~~agents~~ **producer** association, accredited college, or insurance education institution may submit continuing education courses for approval by the commissioner.

(b) Course information must be submitted on an application form that may be obtained from the Department of Insurance, 311 West Washington Street, Suite 300, Indianapolis, Indiana 46204-2787. The application form is adopted by reference.

(c) A completed application form shall be submitted to the Continuing Education Program, c/o Indiana Department of Insurance, 311 West Washington Street, Suite 300, Indianapolis, Indiana 46204-2787.

(d) The application form shall be submitted at least sixty (60) days prior to the date of the continuing education course.

(e) A provider may advertise a continuing education course after submission to the department but before its approval; however, the provider must clearly indicate in any advertisement of the course that course approval is pending.

(f) A nonrefundable processing fee in the amount of ~~ten forty~~ dollars (~~\$10~~) (**\$40**) per ~~application, course~~, or a yearly fee in the amount of ~~two five hundred fifty~~ dollars (~~\$250~~) (**\$500**) for all ~~applications, courses~~, shall be submitted to the department along with a completed application form.

(g) Videotaped, Internet, and satellite broadcast programs may be approved for continuing education credit.

(h) Each educational segment within a convention program or an association annual meeting shall be submitted individually for continuing education credit. Notwithstanding section 3(b) of this rule, the educational segment may be approved for one (1) hour of credit.

(i) Applications for continuing education course approval shall be presented to the advisory council. The advisory council shall review each application and make a recommendation to the commissioner on whether the course should be approved and the number of credit hours to be awarded. The department shall notify the provider in writing when the commissioner approves or disapproves a continuing education course.

(j) Course approval is valid for ~~one (1) year~~ **two (2) years** from the date of the commissioner's approval. Thereafter, the course must be resubmitted for approval under this section. (*Department of Insurance; 760 IAC 1-50-4; filed Feb 23, 1993, 5:00 p.m.: 16 IR 1825; filed Nov 4, 1999, 10:12 a.m.: 23 IR 573*)

SECTION 4. 760 IAC 1-50-5 IS AMENDED TO READ AS FOLLOWS:

**760 IAC 1-50-5 Requirements for self-study continuing education courses**

**Authority:** IC 27-1-15.7-4; IC 27-1-15.7-7

**Affected:** IC 27-1-15.6-12; IC 27-1-15.7-4

Sec. 5. (a) In addition to the requirements in section 4 of this rule, self-study courses are subject to the following requirements:

(1) ~~Agents~~ **A producer** enrolled in a self-study course, including a computer-based course, shall take a written or computer-based examination at the conclusion of the self-study course. The written or computer-based examination must comply with the following requirements:

(A) Examination questions shall be multiple choice.

(B) Questions shall be selected at random from a bank of questions.

(C) At least three (3) different versions of the examination shall be used on a random basis.

(D) The examination for a course approved for eight (8) hours of credit or less shall consist of at least twenty-five (25) questions.

(E) The examination for a course approved for greater than eight (8) hours of credit shall consist of at least fifty (50) questions.

(F) The written examination shall be sealed in an opaque envelope. The testing protocol and affidavit requirements of subdivision (4) shall be written on the outside of the envelope.

(G) The examination shall be graded by the provider.

(H) A computer-based examination may not include prompts designed to aid the student in answering examination questions.

(2) ~~An agent~~ **A producer** must correctly answer seventy percent (70%) of the examination questions in order to pass the self-study course.

(3) ~~An agent~~ **A producer** must pass a self-study examination to receive any continuing education credit hours for the self-study course.

(4) When taking the self-study examination, the ~~agent~~ **producer** shall sign an affidavit, supplied by the provider, that states the ~~agent~~ **producer** did not use outside help, such as an open textbook or another individual, in taking the examination. A second ~~agent~~ **producer** must sign the affidavit verifying that the second ~~agent~~ **producer** witnessed the first ~~agent's~~ **producer's** examination and no outside help was used. The signed affidavit must be returned to the provider. The provider shall retain the original affidavit for four (4) years.

(5) The provider shall grade the examination and mail the results to the ~~agent~~ **producer** no later than thirteen (13) days after the date upon which the ~~agent~~ **producer** mailed the completed examination to the provider.

(6) A computer-based course that includes a computer-based examination must be designed to prevent the student from skipping the education materials before taking the examination.

(b) Failure to comply with the requirements of this section may result in disciplinary action by the department pursuant to ~~IC 27-1-15.5-8.~~ **under IC 27-1-15.6-12.** (*Department of Insurance; 760 IAC 1-50-5; filed Feb 23, 1993, 5:00 p.m.: 16 IR 1826; filed Nov 4, 1999, 10:12 a.m.: 23 IR 574*)

SECTION 5. 760 IAC 1-50-7 IS AMENDED TO READ AS FOLLOWS:

#### **760 IAC 1-50-7 Record keeping requirements**

**Authority:** IC 27-1-15.7-7

**Affected:** IC 27-1-15.7-4

Sec. 7. (a) ~~Providers~~ **A provider** shall take attendance at each continuing education course. The provider shall retain the attendance reports for four (4) years. The attendance report shall contain the following information:

(1) The ~~agent's~~ **producer's** name.

(2) The ~~agent's~~ **producer's** license number.

(3) The ~~agent's~~ **producer's** birth date.

(4) ~~Agent's~~ **The producer's** signature.

(5) Any other information requested by the department.

(b) ~~Providers~~ **A provider** shall provide each ~~agent~~ **producer** who attends a continuing education course, or passes a self-study course, with a certificate of completion form no later than ten (10) days following the completion of the course. The certificate of completion form is adopted by reference, and a copy of the form may be obtained from the Department of Insurance, 311 West Washington Street, Suite 300, Indianapolis, Indiana 46204-2787.

(c) For two (2) years following a continuing education course, the provider shall prepare a duplicate certificate of completion upon the request of ~~an agent~~ **a producer** who attended the course. The certificate must be provided within ten (10) days of the request.

(d) No later than ten (10) days after a request from the department, the provider shall deliver to the department a list of the ~~agents~~ **producers** to whom it has delivered a certificate of completion for a specific course or courses.

(e) In the event a provider fails to provide a certificate of completion as required in this section, the commissioner may suspend approval of any or all of a provider's continuing education courses.

(f) ~~Agents~~ **The producer** shall retain the certificate of completion for four (4) years following completion of the course.

(g) ~~Providers~~ **A provider** shall notify the department at least thirty (30) days in advance of an approved continuing education course being offered. (*Department of Insurance; 760 IAC 1-50-7; filed Feb 23, 1993, 5:00 p.m.: 16 IR 1826; filed Nov 4, 1999, 10:12 a.m.: 23 IR 575; errata filed Dec 15, 1999, 9:08 a.m.: 23 IR 1110*)

SECTION 6. 760 IAC 1-50-13 IS AMENDED TO READ AS FOLLOWS:

**760 IAC 1-50-13 Retirement exemption**

**Authority:** IC 27-1-15.7-7

**Affected:** IC 27-1-15.6-12

Sec. 13. (a) A retired ~~agent~~ **producer** who is required by an insurer to maintain his or her license in order to collect commissions on business written before retirement may apply for an exemption from continuing education requirements.

(b) To obtain a retirement exemption, ~~an agent~~ **a producer** shall complete and submit to the department the exemption form set forth in section 13.5 of this rule.

(c) The ~~agent~~ **producer** shall notify the department of any changes in his or her retirement status.

(d) A retired ~~agent~~ **producer** who solicits or services a policy is not eligible to apply for or retain an exemption from the continuing education requirements.

(e) ~~An agent~~ **A producer** who fails to notify the department of any change in status under this section will be subject to administrative action under ~~IC 27-1-15.5-8~~ **IC 27-1-15.6-12**. (*Department of Insurance; 760 IAC 1-50-13; filed Feb 23, 1993, 5:00 p.m.: 16 IR 1828; filed Nov 4, 1999, 10:12 a.m.: 23 IR 576*)

SECTION 7. 760 IAC 1-50-13.5 IS AMENDED TO READ AS FOLLOWS:

**760 IAC 1-50-13.5 Retirement exemption form**

**Authority:** IC 27-1-15.7-7

**Affected:** IC 27-1-15.6-3; IC 27-1-15.7-2

Sec. 13.5. The form referenced in section 13 of this rule is as follows:

CONTINUING EDUCATION EXEMPTION FORM  
FOR RETIRED INSURANCE ~~AGENTS~~ **PRODUCERS**  
AND SOLICITORS

I, \_\_\_\_\_, do hereby attest that effective \_\_\_\_\_ I am retired and am no longer an active insurance ~~agent~~ **producer**. I will not solicit or service any insurance policy or policyholder. I respectfully request that I be exempt from fulfilling the continuing education requirements as prescribed by ~~IC 27-1-15.5-7.1~~ **IC 27-1-15.7-2**.

If my current situation changes and I plan to solicit or service insurance policies or policyholders, I will immediately notify the Indiana Department of Insurance of my change in status. I understand that the Department will rescind any continuing education exemption, and I will thereafter be responsible for all continuing education requirements as

prescribed in ~~IC 27-1-15.5-7.1~~. **IC 27-1-15.7-2.**

I further understand that if I fail to notify the Department of Insurance of any change in my retirement status and I engage in the business of insurance, including soliciting or servicing an insurance policy, I will be subject to administrative sanctions.

_____ Date	_____ Signature
_____ License number	_____ Address
_____ License expiration date	_____ City/State Zip

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_

\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_

County of residence: \_\_\_\_\_

(Department of Insurance; 760 IAC 1-50-13.5; filed Nov 4, 1999, 10:12 a.m.: 23 IR 576)

### ***Notice of Public Hearing***

*Under IC 4-22-2-24, notice is hereby given that on October 28, 2003 at 10:00 a.m., at the Department of Insurance, 311 West Washington Street, Suite 300, Indianapolis, Indiana the Department of Insurance will hold a public hearing on a proposed amendment to 760 IAC 1-50 to conform the rule to House Enrolled Act 1674 (P.L.132-2001). Copies are available on the Department of Insurance's Web site at [www.state.in.us/idoi/](http://www.state.in.us/idoi/). Copies of these rules are now on file at the Department of Insurance, 311 West Washington Street, Suite 300 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.*

Sally McCarty  
Commissioner  
Department of Insurance