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TITLE 760 DEPARTMENT OF INSURANCE

Proposed Rule
LSA Document #04-139

DIGEST

Amends 760 IAC 1-50-3, 760 IAC 1-50-4, and 760 IAC 1-50-5 regarding insurance producer continuing education examinations, credit hours, fees, and documentation. Effective 30 days after filing with the secretary of state.

760 IAC 1-50-3
760 IAC 1-50-4
760 IAC 1-50-5

SECTION 1. 760 IAC 1-50-3, AS AMENDED AT 27 IR 1569, SECTION 2, 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 (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(h) of this rule, two (2)~~ **One (1)** continuing education credit ~~hours are~~ **hour is** 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; filed Dec 12, 2003, 10:30 a.m.: 27 IR 1569*)

SECTION 2. 760 IAC 1-50-4, AS AMENDED AT 27 IR 1569, SECTION 3, 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:

- (1) individual;
- (2) insurance company;
- (3) insurance trade association;
- (4) insurance producer association;
- (5) accredited college; or
- (6) 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~~ **before** 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 forty dollars (\$40) per course, or a yearly fee in the amount of five hundred dollars (\$500) for all 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 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; filed Dec 12, 2003, 10:30 a.m.: 27 IR 1569*)

SECTION 3. 760 IAC 1-50-5, AS AMENDED AT 27 IR 1569, SECTION 4, 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

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

(1) 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 examination for a course approved for greater than twelve (12) hours of credit shall consist of at least seventy-five (75) questions.

~~(F)~~ **(G)** 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)~~ **(H)** The examination shall be graded by the provider.

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

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

(3) 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 producer shall **do all of the following:**

(A) Sign an affidavit, supplied by the provider, that states the producer did not use outside help, such as an open textbook or another individual, in taking the examination.

(B) A second producer must sign the affidavit verifying that the second producer witnessed the first producer's examination and no outside help was used. **A producer who takes the examination at a testing center that administers tests for professional designations may have a representative of the testing center sign the affidavit rather than a licensed producer.**

(C) 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 producer no later than thirteen (13) days after the date upon which the 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 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; filed Dec 12, 2003, 10:30 a.m.: 27 IR 1569*)

Notice of Public Hearing

Under IC 4-22-2-24, notice is hereby given that on September 28, 2004 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 proposed amendments to 760 IAC 1-50 regarding insurance producer continuing education. 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