

Title 23. Public Utilities and Regulated Industries
Chapter I. State Insurance Department, Department of Commerce
Subchapter A. Generally
Part 18. Continuing Education for Producers and Adjusters

Codification Notes. This part as promulgated prior to codification into the Code of Arkansas Rules provided as follows:

"SECTION 2. AUTHORITY

This Rule is issued under the authority vested in the Commissioner by Ark. Code Ann. § 23-61-108, and the Arkansas Administrative Procedure Act, codified at Ark. Code Ann. §§ 25-15-201, et seq., and Ark. Code Ann. § 23-64-304(a), as amended by Act 1203 of 2003 and Act 1697 of 2005."

Subpart 1. General Provisions

23 CAR § 18-101. Purpose.

The purpose of this part is to establish requirements and standards for continuing education for natural persons licensed as insurance producers (producers) and adjusters by the Insurance Commissioner (the commissioner).

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-102. Severability.

Any section or provision of this part held by the court to be invalid or unconstitutional will not affect the validity of any other section or provision.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-103. Effective date and applicability.

This part shall be effective on and after February 1, 2016, and shall be applicable to those persons licensed to act as an insurance producer, adjuster, or continuing education course provider, instructor, or proctor, who must comply with Arkansas Code § 23-64-301 et seq., and other laws for continuation of producers' licenses and for the sale of the following types of insurance, as duplicates of or in addition to any listed elsewhere in this part:

- (1) Life and/or accident and health insurance;
- (2) Property and/or casualty insurance;
- (3) Personal lines; and
- (4) Adjusters.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-104. Exemptions.

This part shall not apply to the following individuals:

- (1) Individuals holding licenses for which an examination is not required;
- (2) Company-employed adjusters and limited adjusters as defined in Limited Adjusters' Licenses, 23 CAR pt. 28;
- (3) Any limited or restricted license the Insurance Commissioner may exempt;
- (4) Any individual, licensed as a resident producer prior to July 1, 2003, who is at least sixty (60) years of age;
- (5) Any individual, licensed as a resident producer prior to July 1, 2003, who has held a license as a producer, insurance consultant, or broker for a period of at least fifteen (15) consecutive years;
- (6) Third-party administrators who do not solicit business;
- (7) Nonresident producers, nonresident consultants, and/or nonresident adjusters, unless the home state or designated home state does not have any comparable continuing education requirements;
- (8) Licensed insurance consultants;

(9) Any producer or adjuster called to active duty in any branch of the United States military services including, but not limited to, the United States Coast Guard and Reserves, during the entire period of active duty service;

(10) The exceptions contained in subdivisions (a)(4) and (5) of this section are no longer applicable to:

(A) Insurance producers who became resident licensees after July 1, 2003;

(B) Insurance producers who have let their Arkansas producer license lapse and have become relicensed; or

(C) Title insurance agents; and

(11)(A) Individuals (or an appointed guardian or person with an appropriately worded power of attorney) with grave or debilitating illnesses or injuries may request an extension for no more than twelve (12) months for completion of the CE hours required for a particular licensing renewal period.

(B) The request must be accompanied by a:

(i) Written doctor's statement confirming the medical history; and

(ii) Medical estimate as to how long the individual will be unable to function normally enough to complete the requirements of this part.

(C) The request from the producer must include his or her mail or electronic mail note that he or she is voluntarily waiving the private or confidential nature of the illness or injury in order to qualify for this extension.

(D) With similar documentation, including a signed note from the attending physician and a privacy waiver from and signed by the patient, producers (or the relative's appointed guardian or person with an appropriately worded power of attorney) may also file for an extension due to the terminal or debilitating illness of a:

(i) Grandparent;

(ii) Parent;

(iii) Spouse;

(iv) Sibling; or

(v) Child.

(E) The commissioner has discretion to grant such time extensions for good cause under Arkansas Code § 23-64-304(b), but only up to one (1) year, and may deny requests from anyone failing, or who has in the past failed, to comply:

(i) With Arkansas laws or rules; or

(ii) Within any extended time period granted by the commissioner under this subdivision.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

Codification Notes. "CE" means continuing education.

23 CAR § 18-105. Program review.

Representatives of the Insurance Commissioner shall have the authority to visit a course or program and review its offering at any time including, but not limited to, curriculum records and attendance records.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

Subpart 2. Educational Requirements

23 CAR § 18-201. Number of course hours.

(a) Upon the effective date of this part, any nonexempt persons licensed as producers shall, biennially on or before their birthdays, satisfactorily complete a minimum of twenty-four (24) hours of continuing education instruction approved by the Insurance Commissioner, which must include at least three (3) hours of ethics in each two-year license renewal cycle, if the individual is licensed to sell:

(1) Life insurance;

(2) Accident and health or sickness insurance;

(3) Property insurance;

(4) Casualty insurance;

- (5) Variable products insurance; or
- (6) Personal lines insurance.

(b)(1) Upon the effective date of this part, any person who holds an adjuster license shall satisfactorily complete a minimum of twenty-four (24) hours of continuing education instruction approved by the commissioner, which must include three (3) hours of ethics in each two-year license renewal cycle.

(2) This provision shall not apply when:

- (A) An adjuster is licensed in another state;
- (B) The licensing state requires continuing education; and
- (C) The adjuster has satisfied the continuing education requirements of the licensing state or designated home state.

(c) If a person is a nonexempt producer required to obtain continuing education under this section and a licensed adjuster, that person shall be required to meet the continuing education requirements of both licenses.

(d)(1) The continuing education requirements in this subpart do not apply to title insurance agents.

(2) License renewal and continuing education requirements for title insurance agents are governed by Title Insurance, 23 CAR pt. 204.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-202. Biennial licensing period.

(a) Effective until January 1, 2011, all initial licensees and all renewal licensees for the above-referenced licensees will continue to be issued on an annual basis, with the continuing education requirements of eight (8) or ten (10) hours due annually.

(b) Effective January 1, 2011, continuing education will be due biennially under the following schedule:

(1)(A)(i) For existing individual licensees born in odd-numbered years, a two-year license will be issued for the 2011 renewal on the licensee's birth date, and renewed biennially thereafter.

(ii) Twelve (12) hours of continuing education, which must include two (2) hours of ethics, must be completed prior to the licensee's renewal in 2011.

(B) Beginning in 2013, the continuing education requirements of twenty-four (24) hours, which must include three (3) hours of ethics, will be due at each two-year license renewal cycle based on the licensee's birth date.

(C) The first continuing education requirement of twenty-four (24) hours, which must include three (3) hours of ethics, is due by the expiration/renewal birth date in 2013 and at each subsequent two-year license renewal;

(2)(A)(i) For existing individual licensees born in even-numbered years, a one-year license will be issued for the 2011 renewal on the licensee's birth date.

(ii) Resident producers and adjusters will be required to have twelve (12) hours of continuing education, which must include two (2) hours of ethics, due for license renewal in 2012.

(B) Beginning in 2012, these licensees will renew their licenses for a two-year period and renew biennially on their birth date thereafter.

(C) The continuing education requirement of twenty-four (24) hours, which must include three (3) hours of ethics, will be due at the first two-year license renewal cycle based on the licensee's birth date in 2014 and biennially on the birth date thereafter;

(3)(A) For new individual licensees issued in 2011 and subsequent years, license renewal periods will not be based on birth year.

(B) The initial license will be issued for a two-year period and renewed biennially on the licensee's birth date thereafter.

(C) The continuing education requirements of twenty-four (24) hours, which must include three (3) hours of ethics, will be due at each two-year license renewal cycle; and

(4)(A) The continuing education requirements for resident adjusters and for those nonresidents who have qualified for an Arkansas adjuster license by taking the Arkansas adjuster exam will be twenty-four (24) hours every two (2) years of which three (3) hours must be ethics.

(B)(i) The requirement for adjusters to complete continuing education on or before their birthday will start January 1, 2012.

(ii) Nonresidents who have qualified by being licensed as an adjuster in their home state are exempt from continuing education requirements.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-203. Requirements for continuing education to qualify as distance learning.

(a) "Distance learning" means a classroom educational program in which the licensee and the instructor may be in different physical locations yet interact with each other through various methods of telecommunications, including but not limited to video teleconference or webinar.

(b)(1) There shall be five (5) required parts to a distance learning continuing education course:

- (A) Video imagery;
- (B) Interactivity;
- (C) Written materials;
- (D) Attendance verification; and
- (E) A technology help line.

(2) The video imagery shall constitute a live continuing education provider or instructor, with interactive abilities, which include, but are not limited to, allowing for attendees to ask real-time questions and be assisted by continuing education providers, instructors, or proctors in real time.

(3) Written materials shall be available in hard copy or in downloadable format and may be projected as part of the video imagery during the course of the distance learning presentation.

(4)(A) A technology help line shall be available prior to, during, and after the distance learning presentation.

(B) This technology help line shall be adequate in staff size to assist attendees within a reasonable amount of time during the course of the distance learning presentation.

(c)(1) The distance learning provider shall be able to verify attendance and shall provide that attendance verification to the State Insurance Department.

(2)(A) A form shall be made available on the department's License Division website that shall be executed by the distance learning provider and submitted to the department electronically so that the attendee may receive credit for the distance learning course.

(B) The form shall be submitted to the department no later than ten (10) days after attendee completes the distance learning course.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-204. Course approval.

Subject to submission and approval of the Insurance Commissioner, the courses or programs of instruction successfully completed which shall be deemed to meet the commissioner's standards for continuing education requirements are:

(1) Any part of the Life Underwriting Training Council life courses curriculum and health courses;

(2) Any part of the American College "CLU" diploma curriculum;

(3) Any part of the Insurance Institute of America's program in general insurance;

(4) Any part of the American Institute for Property and Liability Underwriters' chartered property casualty underwriter professional designated program;

(5) Any part of the Certified Insurance Counselor program;

(6) Any course offered by a certified health consultant;

(7) Any course offered by a registered health consultant;

(8) Any insurance-related course approved by the commissioner and offered by an accredited college or university;

(9) Any course or program of instruction, seminar, or meeting sponsored by any:

- (A) Authorized insurer;
- (B) Recognized producers' association;
- (C) Insurance trade association; or
- (D) Independent program of instruction;

(10) Any correspondence courses, including, but not limited to, correspondence courses offered via the internet, subject to the following:

(A)(i) All correspondence courses must have a sealed and numbered written examination which measures the licensee's knowledge of the information.

(ii) Course providers may also add oral or electronic correspondence courses, with oral or electronic examinations.

(iii) Electronic filings with the State Insurance Department's License Division ("License Division") are encouraged and permitted;

(B) All correspondence course examinations must be proctored or include an attestation or certification to be completed by the licensee verifying that the licensee is the person who is completing the course and exam;

(C) Proctors must provide an affidavit attesting under oath or affirmation that:

(i) The correspondence or electronic course examination was proctored and/or included the attestation or certification required by subdivision (10)(B) of this section;

(ii) The examination was provided in a manner specified by the correspondence course provider; and

(iii) They are not part of or aware of any efforts to circumvent the requirements of the examination, as provided in Appendix G;

(D)(i) Appendix G must accompany the filing of the Appendix H roster, and these must be retained in the providers' records.

(ii) Correspondence course providers shall maintain all records or electronic copies of records on proctors and proctored examinations;

(E) Any person with no family or financial relationship to the licensed producer or adjusters may proctor an examination under this part;

(F) Course providers' filings must explain how correspondence course exams will not be duplicated for any two (2) test takers; and

(G)(i) Correspondence courses approved and subsequently purchased by the producer or adjuster, prior to the effective date of this part, may be governed by this part.

(ii) However, course providers must contact the License Division to reconfirm credit hours;

(11) Any other course or program approved by the commissioner; and

(12)(A) Subject to approval by the commissioner, the active annual membership of the licensed producer or adjuster in local, regional, state, or national professional insurance organizations or associations may be approved for up to two (2) annual hours of instruction.

(B) These hours shall be credited upon timely filing with the commissioner or his or her designee appropriate written evidence acceptable to the commissioner of such active membership in the organization or association.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-205. Course hour valuation.

(a) The Insurance Commissioner shall assign the number of continuing education hours for which approved courses qualify.

(b) **Key components.** Filings must include and clearly demonstrate:

(1) Material that:

(A) Is current, relevant, and accurate; and

(B) Includes valid:

(i) Reference materials;

(ii) Graphics; and

(iii) Interactivity;

- (2) Clearly defined objectives and course completion criteria;
- (3) Specific instructions to register, navigate, and complete the course work;
- (4) Technical support/provider representative available during business hours;
- (5) Process to authenticate student identity; and
- (6) Method for measuring the student's successful completion of course material and for evaluating the learning experience.

(c) Acceptable procedures to determine appropriate number of credit hours. Select and file one (1) of three (3) methods below per course:

(1) Method A:

(A) Six hundred (600) to seven hundred (700) words (standard font size) = one (1) text page;

(B) Textbooks/workbooks/other printed material = one (1) credit for every fifteen (15) pages;

(C) Three (3) screens with an aggregate total of approximately six hundred (600) to seven hundred (700) words = one (1) text page;

(D) Forty-five (45) screens = one (1) hour of credit;

(E) Divide total screens by forty-five (45) = total number of credit hours;

and

(F) Multiply number of hours by one (1) for a basic level course, one and twenty-five hundredths (1.25) for an intermediate level, and one and five-tenths (1.5) for an advanced course for additional study time = total number of credit hours (fractional hours rounded up if five-tenths (.5) or above and rounded down if forty-nine hundredths (.49) or less);

(2) Method B:

(A) Divide total number of words by one hundred eighty (180) (documented average reading time) = number of minutes to read material;

(B) Divide number of minutes by fifty (50) = credit hours;

(C) Multiply number of hours by one (1) for a basic level course, one and twenty-five hundredths (1.25) for an intermediate level, and one and five-tenths (1.5) for an advanced course for additional study time = total number of credit hours

(fractional hours rounded up if five-tenths (.5) or above and rounded down if forty-nine hundredths (.49) or less);

(3) Method C — Oral presentations:

(A) Providers may use the timed outline method for speeches and other oral presentations intended for continuing education credits; and

(B) Providers should file a detailed description of the proposed subject of the program or course, including a:

(i) Timed course outline;

(ii) List of any resource materials; and

(iii) List of:

(a) Speakers;

(b) Instructors; or

(c) Proctors.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-206. Certificates and evidence of CE completion.

(a) Certificates of completion (see Appendix E) which were issued to producers prior to the effective date of this part will be valid for filing with the Insurance Commissioner until the expiration date listed on the certificate.

(b)(1) Course providers are no longer required to issue certificates of completion.

(2) Instead, filing of CE completion will be evidenced by the course provider upon filing with the State Insurance Department either an Appendix G or an Appendix H roster within ten (10) days from the completion of the course of instruction.

(c) Upon specific request, course providers may continue to issue certificates of completion or other evidence of course completion, but no filing of such is to be made with the department.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

Codification Notes. "CE" means continuing education.

23 CAR § 18-207. Course repetition.

Courses may not be repeated within a two-year period of time.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

Subpart 3. Course Provider Approval — Instructor Forms

23 CAR § 18-301. Forms.

(a)(1) The following forms are prescribed by the Insurance Commissioner and are attached as exhibits to this part.

(2) All forms are available upon request to the State Insurance Department or via the department's website at <https://insurance.arkansas.gov/pages/industry-regulation/licensing/forms-instructions/>.

(b) The available forms are:

- (1) Appendix A-1, Course Application for Continuing Education;
- (2) Appendix A-2, Adjuster Continuing Education Course Approval Form;
- (3) Appendix A-3, Annuity Suitability Training Course Approval Form;
- (4) Appendix B, Course Valuation;
- (5) Appendix C, Continuing Education Provider Application;
- (6) Appendix D, Application for Instructor Approval;
- (7) Appendix E, Individual Certificate of Completion;
- (8) Appendix F, Request for Exemption;
- (9) Appendix G, Completion of Correspondence Course and Proctor Affidavit;

and

(10) Appendix H, Continuing Education Providers Reporting Roster, with instructions.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-302. Application for approval.

(a)(1) Application for approval as a provider shall be submitted to the License Division of the State Insurance Department not less than sixty (60) days prior to the expected use of the program.

(2) The provider shall submit the course filing electronically.

(b) The application shall include the following:

(1) A detailed description of the subject of the program or course, including:

(A) A course outline;

(B) A list of any resource materials; and

(C) A list of speakers or instructors;

(2) For correspondence course filings, the provider must append Appendix B to the electronic course filing to show the method and calculation of the hours requested for the course;

(3) For classroom courses, the provider must append a detailed and timed outline of the course which is being electronically filed with Appendix B;

(4) For distance learning courses, the provider:

(A) Must append to the electronic filing a detailed, timed outline of the course presentation; and

(B) Shall state the technological method to verify attendance and completion of the course with Appendix B; and

(5) Schedules of classes, seminars, and meetings for all locations.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-303. Schedule changes.

Changes in schedules are to be filed with the State Insurance Department no later than two (2) weeks before such program or course is offered.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-304. Fees and renewal.

(a) The fee for a provider is one hundred dollars (\$100) annually and is renewed September 1 of each year for one hundred dollars (\$100).

(b) Failure to renew will result in the provider, courses, and instruction to become inactive, and the provider must file a new application for approval, as discussed in 23 CAR § 18-302.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-305. Instructor qualifications.

(a) An approved instructor teaching any approved course of instruction or lecturing at any approved seminar or meeting shall qualify for two (2) hours of credit for each hour presented.

(b)(1) Instructors must have had specific insurance training or educational experiences satisfactory to and approved by the Insurance Commissioner in order to be certified to teach any part of any approved course.

(2) Each instructor must:

(A) Have two (2) or more years of specific insurance experience and/or education related to and in each part of the insurance training program in which he or she instructs; and

(B) Be approved prior to teaching any course, or any part of a course, by the commissioner.

(3) Applicants for approval as an instructor shall complete and submit Appendix D to the License Division of the State Insurance Department.

(c) No person will be approved as an instructor who has received disciplinary action by:

(1) The State Insurance Department;

(2) The insurance department of another state; or

(3) Any similar regulatory body or court.

(d) The commissioner shall have the authority to waive this requirement for good cause shown in a written request.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

Subpart 4. Fees — Compliance — Penalties

23 CAR § 18-401. Attendance roster.

(a)(1) For each completed course, an approved course provider shall file with the Insurance Commissioner or his or her designee a roster by electronic submission as prescribed in Appendix H.

(2) The course provider shall electronically file the attendees roster with the commissioner in a timely manner, but not later than ten (10) days from the completion of the course of instruction.

(b) A vendor is an individual, corporation, or legal entity hired by the commissioner to facilitate the electronic functions of this part.

(c) The commissioner may require providers to:

(1) Submit the course providers' Appendix H per course in electronic form to the State Insurance Department; or

(2) Submit information to an outside vendor or other parties contracting with the commissioner to maintain and update insurance licensees' continuing education data.

(d) If an attendee does not sign the roster provided as Appendix H, credit will not be granted for the course.

(e) The course provider shall maintain copies of the Appendix H or Appendix G in a format that is subject to review by the commissioner.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-402. Filing fee.

(a) Every person/producer subject to this part shall tender a ten-dollar CE filing fee in the manner and at the time as directed by the Insurance Commissioner or by a vendor of the commissioner until the implementation of the biennial renewal period.

(b) On or before their birthdate each biennial renewal period, Arkansas resident producers or adjusters who are required to meet continuing education requirements must pay a twenty-dollar continuing education filing fee in accordance with Insurance Department Administrative and Regulatory Fees, 23 CAR pt. 22, simultaneously with the other fees required to renew or continue licensure.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

Codification Notes. "CE" means continuing education.

23 CAR § 18-403. Carryover of excess hours.

(a) Excess educational hours accumulated during any biennial period may be carried forward only to the next biennial period, subject to other limitations in this part.

(b) Continuing education carried forward to the following calendar year shall expire upon commencement of the second biennial period following completion of the hours.

(c) Additional ethics hours will carry over as regular hours and not as ethics education.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-404. Time extension for good cause.

For good cause shown, the Insurance Commissioner may grant an extension of time during which the requirements may be completed.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

23 CAR § 18-405. Penalties.

(a)(1) Upon failure of any producer to comply with Arkansas Code § 23-64-301 et seq., the Insurance Commissioner shall take the steps enumerated in Arkansas Code § 23-64-304(d) against such individual's license.

(2) Failure to comply with this part may result in imposition of penalties contained in:

(A) Arkansas Code § 23-64-216, as amended; or

(B) Other applicable laws or rules.

(b)(1) Any licensee fined under Arkansas Code § 23-64-304(d) may request that the commissioner seal the licensee's records at the State Insurance Department regarding the fine.

(2) The underlying conduct of any licensee whose record has been sealed under Arkansas Code § 23-64-304 shall be deemed as a matter of law never to have occurred, and the licensee is not required to disclose the violation on any subsequent application after the records are sealed.

Authority. Arkansas Code §§ 23-61-108, 23-64-304.

Appendix A. Approval Forms

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/315/23CARpt.18AppendixACombined.pdf>

Appendix B. Course Valuation

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/126/23CARpt.18AppendixB.pdf>

Appendix C. Continuing Education Provider Application

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/127/23CARpt.18AppendixC.pdf>

Appendix D. Application For Instructor Approval

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/128/23CARpt.18AppendixD.pdf>

Appendix E. Individual Certificate of Completion

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/129/23CARpt.18AppendixE.pdf>

Appendix F. Request For Exemption

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/130/23CARpt.18AppendixF.pdf>

Appendix G. Correspondence Course Certification of Completion and Proctor Affidavit

Link:

<https://CodeOfARRules.arkansas.gov/docs/CARCodeAppendices/Appendices/131/23CARpt.18AppendixG.pdf>