

Chapter 6

Prelicensing Education

Prelicensing education is required in some states as a condition of licensure for resident insurance producers. Neither the *Producer Licensing Model Act* (#218) nor the Uniform Licensing Standards (ULS) suggests that a state must have a requirement for prelicensing education. States that have a prelicensing education requirement should follow the uniform standards as adopted by the Producer Licensing (EX) Working Group.

The ULS set a minimum credit hour requirement for prelicensing education. In 2010, the Working Group was charged with reviewing this standard. Updated information, if there are any changes to this standard, can be found on the Working Group's web page.

States that require prelicensing education shall require 20 credit hours of prelicensing education per major line of authority. The states must accept both classroom study and verifiable self-study, which includes both text and online courses. The ULS does not have a limit on the number of credits that can be obtained by self-study. The states shall independently determine the content requirements for prelicensing education. The ULS require that a state have a method to verify completion of prelicensing education, but they do not prescribe a method.

The ULS provide that a person who has completed a college degree in insurance shall be granted a waiver from all prelicensing education requirements. The ULS also provide that individuals holding certain professional designations approved by the insurance department should be granted a waiver from the prelicensing education requirement. In 2008, the ULS were updated to indicate that the following list of designations be provided as guidance for designations that would waive prelicensing education, but the list is not exhaustive:

Life: CEBS, ChFC, CIC, CFP, CLU, FLMI, LUTCF

Health: RHU, CEBS, REBC, HIA

Property/Casualty (P/C): AAI, ARM, CIC, CPCU

Under both reciprocity standards and the ULS, no state shall require prelicensing education for nonresident applicants or nonresident producers who change their state of residency.

Limited Lines

From ULS –

34. Testing and Prelicensing Education Requirement Resident Applicants

For crop insurance, states may independently determine the need for or extent of prelicensing education independently, as well as the content requirements, if prelicensing education is required. States requiring prelicensing education may waive it upon verification of completion of the RMA required 12 hour structured training program.

There will be no testing requirement for limited lines; although, states may choose to test for certain limited lines, such as surety, if a limited line, and crop, as long as content is limited to the subject matter. States requiring testing for crop may waive it upon verification of passing the RMA required basic competency test. No state shall require additional pre-licensing education or testing for nonresident applicants or non-resident producers who change their state of residency.

Commented [RT1]: Throughout refer to the UEWG and/or PLTF

Commented [RT2]: No pre-licensing education is required; however, states that require pre-licensing education shall require 20 hours of pre-licensing education per major line of authority. For example, an applicant seeking 2 major lines of authority, such as the property line and the casualty line needs 40 hours of pre-licensing education. If a state has less or more hours per line of authority, it would not be compliant with this standard and will need to increase or decrease the number of required hours. States may waive pre-licensing education requirements for the variable line of authority. States shall independently determine the content requirements for pre-licensing education. No state shall require additional pre-licensing education for non-resident applicants or non-resident producers who change their state of residency.

Commented [RT3]: Change/link to the PLTF webpage?

Commented [RT4]: To remove # of hours would require change to ULS.

Commented [RT5]: Change? ULS - States have discretion to limit, but may not prohibit, verifiable self study.

Commented [RT6]: Change - ULS Applicant or pre-licensing education provider must submit original certificate of completion or verification of completion to the insurance department or to the testing vendor of the applicant's home state through a hard copy submission or electronic transmission.

Commented [RT7]: Should we mention prelicensing requirements for limited lines licenses?