



National Association of
Insurance Commissioners

CONTINUING EDUCATION COURSE GUIDELINES

~~Declaration / Classroom & Online / Formula / Webinar & Webeast~~

NAIC CONTINUING EDUCATION RECIPROcity AGREEMENT – 2019 VERSION UNIFORM DECLARATION – CE RECIPROcity COURSE APPROVAL GUIDELINES

Whereas, the undersigned Insurance Commissioners of the National Association of Insurance Commissioners, hereafter the Commissioners, have determined that it is unnecessary for each State to perform a substantive review of continuing education courses or individual instructors that have previously been approved by another State.

Whereas, the Commissioners find that it is in the best interest of each of their States and their insurance producers to simplify the continuing education (CE) reciprocity course approval process and reduce barriers to non-resident CE providers that reside in a State.

Definitions

Home State: the state in which the CE provider organization maintains his, her, or its principal place of residence or principal place of business.

Home State Course Approval: approval of a course that has had a substantive review in a home state.

Reciprocal State: state other than the home state and part of this continuing education reciprocity agreement.

Substantive Review: a thorough review of the course to confirm compliance with the home State's applicable laws and regulations for the approval of insurance continuing education. The review includes a determination whether the:

- i. Subject matter meets the criteria for insurance education, to include approvable and non-approvable topic guidelines;
- ii. Provider has procedures for reviewing course material in order to keep it up to date and timely;
- iii. Course design and instructional strategies are appropriate for the method of delivery;
- iv. Credit hours are properly calculated based on instruction method;
- v. Criteria for completing the course meets the standards applicable to the instruction method.

The Commissioners agree as follows:

1. ~~Once~~ When a CE provider ~~residing in a State~~ has received a home state course approval ~~initial approval to offer courses in its home State, that~~ a reciprocal State will not conduct a substantive review of that same course as a condition of approval. ~~not require that CE provider to file courses for substantive review that have been awarded credit by the CE provider's home state.~~ A CE ~~p~~Provider's hHome sState means the state in which the CE ~~p~~Provider ~~o~~rganization maintains his, her, or its principal place of residence or principal place of business. ~~However, if~~ the laws or regulations of the ~~CE Provider's~~ home state restrict or limit the minimum or maximum number of credit hours for which a national course may be approved for in that state, or restricts certain course topics, the CE ~~p~~Provider may elect to recognize another home state in order to obtain a home state course approval ~~for the filing of its national courses in order to obtain the maximum credits allowed. A CE Provider that elects another home state in which to file its national courses shall elect a state that conducts a substantive review of its courses.~~
2. Unless specifically limited by State law and regulations, a reciprocal State will award a course the same number of credits ~~and will accept all course topics~~ as approved by the CE provider's home State. A reciprocal State ~~will~~ agrees to approve a course submission within 30 days of receipt, provided that the review and approval process for a course ~~that~~ is filed using the NAIC Uniform ~~Continuing Education Reciprocity~~ Course Filing

Form (Exhibit A) or an equivalent electronic submission method, and contains a home state course approval.
~~A CE provider who wishes to offer topics that are not approvable by the home State may still file a course directly with a State by completing a specific State's course approval form.~~

3. Each State will accept the NAIC Uniform ~~Continuing Education Reciprocity~~ Course Filing Form (Appendix A), or a substantially similar form, including an equivalent the delivery-by electronic submission method, and the required ~~attachment(s)~~ home state course approval document as the sole ~~form requirements required by for~~ a non-resident CE provider.
4. Each State will use the following standards for course approval:
 - a. ~~a.—For classroom and webinar courses, o~~ne credit will be awarded for each 50 minutes of contact instruction. ~~Each State will use its own method to award credit for self study courses.~~
 - b. For self-study/online courses, credit will be awarded based on the NAIC's Recommended Guidelines for Online Courses (Appendix B).
 - cb. -The minimum number of credits that will be awarded is one credit, no partial credits will be awarded and there is no maximum number of credits.
 - de. Credits will only be awarded for courses whose subject matter will increase technical knowledge of insurance principles, coverages, laws or regulations and will not be awarded for topics such as personal improvement, motivation, time management, supportive office skills or other matters not related to technical insurance knowledge. If any credits are awarded for sales and/or marketing those credits will be separately noted on the course approval document. Credits for sales and/or marketing will only be awarded in States that are permitted by law or regulation to accept credit for those topics. Additional guidance can be found in the NAIC's Recommended Approved/Not Approved Course Topics (Appendix C).

~~NAIC UNIFORM DECLARATION—(CONT'D)~~

- ed. Each State will use its own method to determine if an instructor is qualified and no instructor will be approved unless the CE provider has provided sufficient information [CR(1)] to demonstrate that the instructor is qualified, according to that State's laws and regulations, to teach the topics covered in the outline.
 - fe. A reciprocal State will not review an instructor's qualifications once that instructor's qualifications have been reviewed and approved by the CE provider's home State.
5. A State's course approval document or approved course application will include, at a minimum, the following information: ~~course name, whether the method of instruction is self study, whether a course is part of a national or professional designation program and the contact person. A National Course is defined as an approved program of instruction in insurance related topics including a course leading to a National Professional Designation or an insurance course at an institution offered as part of a degree conferring curriculum, presented by an approved CE Provider organization~~ title, credit hours, credit category, method of instruction, and clearly indicate if it is a home state approval.
 6. Each State reserves the right to disapprove individual instructors or CE providers who have been the subject of disciplinary proceedings or who have otherwise failed to comply with a State's laws and regulations.
 7. Each State agrees that it will notify other States [CR(2)] when a CE provider or instructor has been the subject of a formal administrative action or other disciplinary action by that State.

~~Drafting Note: The Producer Licensing Working Group needs to make a formal request to NAIC staff to ensure the proper programming and electronic systems are in place through which a provider/instructor is assigned a unique~~

~~identifier number and notification can be made through the use of electronic means. Can this become part of the NAIC's Regulatory Information Retrieval Systems and the Personalized Information Capture System.~~

~~Adopted by the Commissioner of the following States: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Washington D.C., Georgia, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Missouri, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, West Virginia, Wisconsin, and Wyoming.~~

~~Drafting Note: The Producer Licensing Working Group needs to discuss how to proceed with getting these changes officially agreed upon by states and replacing the existing Midwest Zone Guidelines and Filing Form. The working group also needs to discuss the impact these changes will have for the Uniform Regulation Through Technology.~~

APPENDIX A

INSERT CER FORM AND INSTRUCTIONS INSERTED HERE

APPENDIX B
NAIC - RECOMMENDED GUIDELINES FOR ONLINE COURSES

(Adopted by NAIC Membership in Fall of 2005)

Goal: To deliver functional computer-based internet courses that offer quality insurance and/or risk management material in a password-protected online environment.

Key Components:

- Material that is current, relevant, accurate, and that includes valid reference materials, graphics and interactivity.
- Clearly defined objectives and course completion criteria
- Specific instructions to register, navigate and complete the course work
- Technical support/provider representative be available during business hours
- Process to authenticate student identity
- Method for measuring the student's successful completion of course material and for evaluating the learning experience
- Process for requesting and receiving CE course-completion certificate

Final Assessment (exam) Criteria:

- Minimum of 25 questions for courses of 4 hours or less and a score of 70% or greater
- Minimum of 50 questions for courses that are 5 hours or more and a score of 70% or greater
- At least enough questions to fashion a minimum of 2 versions with a least 50% of questions being new/different in each subsequent version
- Inability to print the exam or to launch the exam prior to reviewing material
- Impartial "disinterested third party" (see below) - proctor/monitor who verifies identity and processes affidavit testifying the student received no outside assistance

Acceptable Procedures to determine Appropriate Number of Credit Hours:

Method A

- 600-700 words (standard font size) = one text page
- Textbooks/workbooks/other printed material – one credit for every 15 pages
- 3 screens with an aggregate total of approximately 600-700 words – one text page
- 45 screens – one hour of credit
- Divide total screens by 45 – total number of credit hours
- Multiply number of hours by 1.00 for a basic level course; 1.25 for an intermediate level; 1.50 for an advanced course for additional study time = total number of credit hours (fractional hours rounded up if .50 or above and rounded down if .49 or less)

Method B

- Divide total number of words by 180 (documented average reading time) = number of minutes to read material
- Divide number of minutes by 50 = credit hours
- Multiply number of hours by 1.00 for a basic level course; 1.25 for an intermediate level; 1.50 for an advanced course for additional study time = total number of credit hours (fractional hours rounded up if .50 or above and rounded down if .49 or less)

Method C

- Course that is part of a nationally recognized professional designation
- Credit hours equivalent to hours assigned to the same classroom course material

Disinterested Third Party – We recommend someone with no family or financial relationship to the student, or who is a licensed agent.

NAIC - ADDITIONAL GUIDANCE FOR ONLINE CE COURSES

(Adopted by NAIC Membership Fall of 2009)

These guidelines are being proposed to create some validity and credibility to administering the on-line courses.

The recommendations are as follows:

- Require each agent to enroll for the course before having access to course material.
- Prevent access to the course exam before review of the course materials.
- Prevent downloading of any course exam.
- Provide review questions at the end of each unit/chapter and prevent access to the final exam until each set of questions are answered at a 70% rate.
- Provide final exam questions that do not duplicate unit/chapter questions.
- Prevent alternately accessing course materials and course exams. This does not apply if the state allows for “open book” exams.
- Have monitor affidavit containing specific monitor duties and responsibilities printed for monitor’s use to direct the taking of the final exam. Monitor will complete the affidavit after the exam is completed. (This only for states that require a monitored exam).

NAIC COURSE GUIDELINES FOR CLASSROOM WEBINAR/WEBCAST DELIVERY

(Adopted by NAIC Membership Fall 2013)

- Course will be conducted in real time in all locations.
- Course title must clearly state the course is Web-based.
- Each student will be required to log in to the webinar using a distinct username, password and/or email.
- The provider will verify the identity and license number, or National Producer Number (NPN), of all students.
- A provider representative, using computer-based attendance-monitoring technology, must monitor attendance throughout the course.
- The provider must have a process to determine when a participant is inactive or not fully participating, such as when the screen is minimized, or the participant does not answer the polling questions and/or verification codes.
- No less than three polling questions and/or attendance verification codes must be asked at unannounced intervals during each one-hour webinar session to determine participant attentiveness.
- The provider will maintain an electronic roster to include records for each participant's log-in/log-out times. Chat history and polling responses should be captured as part of the electronic records.
- When a student is deemed inactive, or not fully participating in the course, continuing education (CE) credit is denied.
- At least two students and an instructor must be involved in each presentation of the course; however, all students and the instructor do not need to be in the same location.
- Students in all locations must be able to interact in real time with the instructor. Students should be able to submit questions or comments at any point during the webinar session.
- The course pace must be set by the instructor and does not allow for independent completion.
- Instruction time is considered the amount of time devoted to the actual course instruction and does not include breaks, lunch, dinner or introductions of speakers.
- Courses must be at least one hour in length for credit.
- The provider must have a procedure that informs each student in advance of course participation requirements and consequences for failing to actively participate in the course.
- A comprehensive final examination is not required.

APPENDIX C



RECOMMENDED APPROVED/NOT APPROVED TOPICS FOR CE CREDIT

Adopted by the Uniform Education (D) Working Group 12.20.17

Adopted by the Producer Licensing (D) Task Force 3.25.18

Approved Topics

1. Actuarial mathematics, statistics and probability – in relation to insurance
2. Assigned risk – in relation to insurance
3. Claims adjusting
4. Courses leading to and maintaining insurance designations
5. Employee benefit plans – in relation to insurance
6. Errors and omissions – in relation to insurance
7. Estate planning/taxation – in relation to insurance
8. Ethics
9. Fundamentals/principles of insurance (including but not limited to: annuities, crop and hail, life, accident and health, property/casualty [P/C], etc.)
10. Insurance accounting/actuarial considerations
11. Insurance contract/policy comparison and analysis
12. Insurance fraud
13. Insurance laws, rules, regulations and regulatory updates
14. Insurance policy provisions
15. Insurance product-specific knowledge
16. Insurance rating/underwriting/claims
17. Insurance tax laws
18. Legal principles – in relation to insurance
19. Long-term care/partnership
20. Loss prevention, control and mitigation – in relation to insurance
21. Managed care
22. Principles of risk management – in relation to insurance
23. Proper uses of insurance products
24. Real Estate Settlement Procedures Act (RESPA) – in relation to insurance
25. Restoration – addresses claims, loss control issues and mitigation – in relation to insurance
26. Retirement planning – in relation to insurance
27. Securities – in relation to insurance
28. Suitability in insurance products
29. Surety bail bond
30. Underwriting principles – in relation to insurance
31. Viaticals/life settlements – in relation to insurance

Other topics approved that contribute substantive knowledge relating to the field of insurance and expands competence of the licensee.

Not Approved Topics

1. Automation
2. Clerical functions
3. Computer science
4. Computer training/skills or software presentations
5. Courses on investments – stocks, bonds, mutual funds, Financial Industry Regulatory Authority (FINRA)/U.S. Securities and Exchange Commission (SEC) compliance (National Association of Securities Dealers [NASD]/SEC), etc.
6. Courses that are primarily intended to impart knowledge of specific products of specific insurers
7. Customer service
8. General management training
9. Goal-setting
10. Health/stress/exercise management
11. Marketing/telemarketing
12. Motivational training
13. Company and vendor-specific product launches
14. Office skills or equipment or procedures
15. Organizational procedures and internal policies of an individual insurer
16. Personal improvement
17. Prospecting
18. Psychology
19. Relationship building
20. Restoration – promoting products or services
21. Sales training
22. Service standards or service vendors
23. Time management

Other topics or courses not related to insurance knowledge or competence of the licensee.