

**NAIC CONTINUING EDUCATION RECIPROCITY (CER) AGREEMENT - 2019 VERSION**

*Adopted by the Uniform Education (D) Working Group – Oct. 31, 2019*

*Adopted by the Producer Licensing (D) Task Force on Dec. 3, 2019*

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

**Whereas**, the undersigned Insurance Commissioners of the NAIC, hereafter the Commissioners, have determined that it is redundant for each State to perform a substantive review of CE courses or individual instructors that have previously been approved by another 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 a party to this CER 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 CE. The review includes a determination of 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 the instruction method.
- v. Criteria for completing the course meets the standards applicable to the instruction method.

**The Commissioners agree as follows:**

1. Each state will conduct a substantive review of CE courses submitted for home state approval. When a CE provider has received a **home state course approval**, a **reciprocal State** will not conduct a **substantive review** of that same course as a condition of approval. A CE provider's **home state** means the state in which the CE provider organization maintains his, her or its principal place of residence or principal place of business. If the laws or regulations of the **home state** restrict or limit the minimum or maximum number of credit hours for which a course may be approved for in that state, or restricts certain course topics, the CE provider may elect to recognize another **home state** in order to obtain a **home state course approval**.
2. Unless specifically limited by State laws and regulations, a reciprocal State will award a course the same number of credits as approved by the CE provider's home State.
3. A reciprocal State agrees to approve a course submission within 30 days of receipt, provided that the course is filed using the NAIC Uniform CER Course Filing Form (Appendix A) or an equivalent electronic submission method and contains a **home state course approval**.
4. Each State will accept the NAIC Uniform CER Course Filing Form (Appendix A), or a substantially similar form, including an equivalent electronic submission method, and the required home state course approval document as the sole requirements for a reciprocal course submission.

5. Each State accepts and will use the following standards for substantive course reviews:
  - a. For classroom and webinar courses, one credit will be awarded for every 50 minutes of contact instruction.
  - b. For self-study/online courses, credit will be awarded based on the NAIC's Recommended Guidelines for Online Courses (Appendix B).
  - c. 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.
  - d. Credits will only be awarded for courses whose subject matter will increase technical knowledge of insurance principles, coverages, ethics, 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).
  - e. 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 to demonstrate that the instructor is qualified, according to that State's laws and regulations, to teach the topics covered in the outline.
6. A State's course approval document or approved course application will include, at a minimum, the following information: course title, credit hours, credit category, method of instruction, and if it is a **home state** approval.
7. Each State reserves the right to disapprove individual instructors or CE providers who have been the subject of disciplinary proceedings or have otherwise failed to comply with a State's laws and regulations.
8. Each State agrees that it will notify other States when a CE provider or instructor has been the subject of a formal administrative action or other disciplinary action by that State.

## APPENDIX A



**UNIFORM CONTINUING EDUCATION RECIPROCITY COURSE FILING FORM**

Please clearly print or type information on this form. Thank you for helping us promptly process your application.

***Provider Information***

Provider Name		FEIN # (if applicable)			
Contact Person		E-mail Address of Contact Person			
Phone Number ( ) - ext.	Fax Number ( ) -	Home State	Home State Provider #	Reciprocal State	Reciprocal State Provider #
Mailing Address		City	State	Zip	
Submitter Name (if different from provider contact person above)					
Submitter Phone Number		E-mail Address of Submitter			

***Course Information***

Course Title	
Date of Course Offering (if applicable)	Existing Course Number (if applicable)

**Method of Instruction**

<u>Non-Contact / Asynchronous*</u>	<u>Contact / Synchronous*</u>
<p><b>Self – Study</b></p> <p><input type="checkbox"/> Correspondence</p> <p><input type="checkbox"/> On-Line Training (Self-Study)</p> <p><input type="checkbox"/> Recorded Media</p> <p><input type="checkbox"/> Other _____</p> <p>Word Count _____</p> <p>Mandatory Run-time _____ (Interactive Components of Course)</p>	<p><b>Classroom</b></p> <p><input type="checkbox"/> Seminar/Workshop</p> <p><input type="checkbox"/> Other _____</p> <p><b>Webinar</b></p> <p><input type="checkbox"/> Virtual Class/Webinar/Video Conference</p> <p><input type="checkbox"/> Other _____</p>

**Measurement used for successful completion:**     Attendance     Final Exam     Other \_\_\_\_\_

**Is this course open to the public?**     Yes     No

**National Designation?**     Yes     No

**If yes, Designation Type:** \_\_\_\_\_

**Difficulty (Check):**     Basic                       Intermediate                       Advanced

***Credit Hours Requested and Course/Hours Decision***

Course Concentration	Hrs Requested by Provider		Hrs Approved by Home State		Hrs Approved by Reciprocal State	
	Sales/Mktg	Insurance	Sales/Mktg	Insurance	Sales /Mktg	Insurance
<b>A. Producer Topics:</b> (Circle Appropriate Course Concentration)						
Life / Health						
Property / Casualty/Personal Lines						
Ethics						
General (Applies to all lines)						
Insurance Laws						
Other (LTC, NFIP, Viaticals, Annuities, etc.) _____						
<b>Total Hours</b>						
<b>B. Adjuster Topics</b> (Circle Appropriate Course Concentration)						
General						
Workers Comp						
Ethics						
Other _____						
<b>Total Hours</b>						
<b>C. Public Adjuster</b> (Circle Appropriate Course Concentration)						
General						
Ethics						
Other _____						
<b>Total Hours</b>						
<b><i>Information Below is for Regulator Use Only</i></b>						
Approval Date						
Course Number assigned						
Course approval expiration date						
Signature of Home State Regulator/Representative <b>OR ATTACH</b> Provider Home State Approval Form						
Signature of Reciprocal State Regulator/Representative <b>OR ATTACH</b> Reciprocal State Approval Form						

## INSTRUCTION SHEET

NOTE: This course may NOT be advertised or offered as approved in the state to which application has been made until approval has been received from the insurance department.

### 1. If you are a PROVIDER filing for approval from the Home State:

- 1.1 Complete all the fields in the “Provider Information” section except “Reciprocal State” and the adjacent “Provider #” fields.
- 1.2 Complete the Course Information Section.
- 1.3 In the “Credit Hours Requested and Course/Hours Decision” section, complete the “Hrs. Requested by Provider” columns, detailing in the respective columns the number of hours for sales – and marketing-related instruction and the number of hours for other insurance-related instruction. Please note the following:
  - 1.3.1 When using this application, which is governed by the NAIC CE Reciprocity Agreement in conjunction with ‘states’ laws, only whole numbers of credit hours will be approved – partial hours will be eliminated.
  - 1.3.2 States that approve sales/marketing topics will consider the hours in the “sales/Mktg” column and the hours in the “Insurance” column when deciding the number of hours to approve. States that do not permit sales/marketing topics as part of continuing education credit hours will only consider the hours shown in the “Insurance” column when making their credit-hour approval decisions.
  - 1.3.3 Contact the individual state to determine whether there are any state specific requirements for submitting courses.
- 1.4 Submit the application form along with required course materials, a detailed course outline, instructor information, if required, and the required course application fee.

### 2. If you are a PROVIDER filing for approval from a Reciprocal State:

- 2.1 Make a sufficient number of photocopies of the Home State approval form to enable you to submit a copy of this application to each of the Reciprocal States where you are seeking credit.
- 2.2 On each application, write the Reciprocal State and the provider number assigned to you by that state in the “Reciprocal State” and adjacent “Provider #” fields.
- 2.3 Send the CER application, home state approval, if home state issues one, a detailed course outline, and the required fee to the reciprocal state. If this is a National Course \*, the Providers will be allowed to submit an agenda that must include date, time, each topic and event location in lieu of a detailed course outline.
- 2.4 Subsequent national course offerings should only be reported for events that are conducted in the “home” state.

\* **National Course** is defined as an approved program of instruction in insurance related topics, offered by an approved provider, and leads to a national professional designation or is a course offered to individuals who must update their designation once it is earned.

### 3. If you are the HOME STATE or designated representative of the Home State:

- 3.1 After reviewing the course materials, complete the “Hrs Approved by Home State” column.
  - 3.1.1 Multiple types of credit and delivery methods can be approved using one CER Form.
- 3.2 Enter the date of approval, course # assigned, course approval expiration date. Sign the CER Form OR attach the home state approval form.
- 3.3 If the course is not approved, note it on the bottom of the CER Form.

### 4. If you are the RECIPROCAL STATE or designated representative of the Reciprocal State:

- 4.1 After reviewing “Hrs approved by Home State” complete the “Hrs Approved by Reciprocal State”.
  - 4.1.1 It is unnecessary for each State to perform a substantive review of continuing education courses that have previously been approved by the Home State.
  - 4.1.2 Reciprocal states cannot award different credits than the home state unless certain aspects are not allowed by state law.
- 4.2 Enter the date of approval, course number assigned, course approval expiration date. Sign the CER Form OR attach the reciprocal state approval form.
- 4.3 If the course is not approved, note it on the bottom of the CER Form.
- 4.4 The reciprocal state agrees to approve the CER submission within 30 days of receipt.

**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:

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

\***Drafting Note:** The instructor information matrix was eliminated in 2018 as this information should be readily available on individual state/jurisdiction websites.

## APPENDIX B

**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 should be available during business hours and response provided within 24hours of initial contact.
- Instructors/subject matter experts must be available to answer student questions during provider business hours
- Process to authenticate student identity such as passwords and security prompts
- Method for measuring the student’s successful completion of course which includes the material, exam and any proctor requirements.
- Process for requesting and receiving CE course-completion certificate and reporting student results to the appropriate regulator
- 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).

**Final Assessment (exam) Criteria:**

- Minimum of 10 questions for 1 credit hour course with additional 5 questions for each subsequent credit hour 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 view the exam prior to reviewing material
- Proctor, if required by the state, who verifies identity by photo identification and processes affidavit testifying the student received no outside assistance

**Procedures to determine Appropriate Number of Credit Hours:**

Word Count/Difficulty Level

- 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
- Course difficulty level is identified by the CE provider on the CER form and should be based on the NAIC CE Standardized Terms-Definitions for basic, intermediate and advanced course difficulty levels.
- 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)

Interactive Course Content



- Elements included in the online course, in addition to text, such as video, animation, interactive exercises, quizzes, case studies, games, and simulations.
- Interactive elements should be applicable to course material and facilitate student learning.
- Only mandatory interactive elements should be included in the calculation of CE credit hours.
- Calculation of CE hour credits should be based on the run time of the interactive elements.
- CE providers will indicate run time of the interactive elements in the course content and upon request provide access to the state for review of the course.

#### Professional Designation Course

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

#### Final Assessment

- Time spent completing the final assessment should not be used in calculation of CE credit hours.

Adopted by the NAIC Membership 2015

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**COURSE GUIDELINES FOR CLASSROOM WEBINAR/WEBCAST DELIVERY**

*Adopted by the NAIC Membership August 2014*

- These guidelines are intended to apply to courses conducted and viewed in real time (live) in all locations and are not intended to apply when courses have been recorded and are viewed at a later time or to other online courses.
- Each student will be required to log in to the webinar using a distinct username, password and/or email. Students that view webinars in group settings which is two or more individuals should alternatively verify their participation in the form of sign-in and sign-out sheets submitted by a monitor with an attestation or verification code.
- 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.
- For webinars not given in a group setting, no less than two polling questions and/or attendance verification codes must be asked, with appropriate response provided, 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. If required by states chat history and polling responses should be captured as part of the electronic record.
- When a student is deemed inactive or not fully participating in the course by the course monitor of failure to enter appropriate polling question response or verification codes, continuing education (CE) credit is denied.
- 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.
- One credit will be awarded for each 50 minutes of webinar/webcast instruction, and the minimum number of credits that will be awarded for webinar/webcast courses is one 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.

**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*

**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.