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MEMORANDUM

TO: Crystal Koeneman, AAC Contact
Department of Commerce, Community, & Economic Development

FROM: Scott Meriwether
Special Assistant 
907.465.3509

DATE: November 29, 2013

RE: Filed Permanent Regulations: Division of Insurance

Regulations re: continuing education requirements for insurance licensees: 3 AAC 23.100
- 3 AAC 23.208; 3 AAC 26.778; 3 AAC 26.789(3); 3 AAC 31.060(a)

Attorney General File:	JU2013200477
Regulation Filed:	11/25/2013
Effective Date:	1/1/2014
Print:	208, January 2014

cc with enclosures: Linda Miller, Department of Law
Jim Pound, Administrative Regulation Review Committee
Judy Herndon, LexisNexis

JU2013200477

ORDER RA 13-01b ADOPTING CHANGES TO
REGULATIONS OF THE DIVISION OF INSURANCE

The attached 29 pages of regulations, dealing the continuing education requirements for licensees under AS 21.27, are adopted and certified to be a correct copy of the regulation changes that the Division of Insurance adopts (3 AAC 23.100 – 3 AAC 23.208, 3 AAC 26.778, 3 AAC 26.789, and 3 AAC 31.060) under the authority of AS 21.06.090; 21.06.250; AS 21.27.020; and AS 21.75.045, and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Division of Insurance paid special attention to the cost to private persons of the regulatory action being taken.

The regulations adopted under this order take effect on the 1st day of January, 2014, as provided in AS 44.62.180.

DATED this 23rd day of October, 2013, at Anchorage, Alaska.



Bret S. Kolb, Director
Division of Insurance
Department of Commerce, Community, and
Economic Development

FILING CERTIFICATION

I, Mead Treadwell, Lieutenant Governor for the State of Alaska, certify that on November 25, 2013, at 10:28^{am}, I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.



Lieutenant Governor

Effective January 1, 2014

Register 208, January 2014

Title 3. Commerce, Community, and Economic Development.

Part 2. Division of Insurance.

Chapter 23. Producers, Managing General Agents, Surplus Lines Brokers, Reinsurance Intermediary Managers, Reinsurance Intermediary Brokers, Third Party Administrators, and Independent Adjusters.

3 AAC 23.100(a) is amended to read:

(a) In order to renew a license under AS 21.27.380, a licensee must satisfy the continuing education requirements under 3 AAC 23.100 – 3 AAC 23.208 [3 AAC 23.100 – 3 AAC 23.170] unless the licensee is exempt under AS 21.27.020(f) or seeks [RENEWAL OF A]

- (1) renewal of a temporary license under AS 21.27.390; [OR]
- (2) renewal of a limited lines license under AS 21.27.150; or
- (3) a temporary license under AS 14.43.148 or AS 25.27.244.

3 AAC 23.100(b) is amended to read:

(b) In order to qualify for license renewal, a licensee who has held a license for a full two-year period must have 24 continuing education credit hours, of which at least three credit hours must include the topic of [A COURSE, SEMINAR, OR PROGRAM OF INSTRUCTION IN BUSINESS] insurance ethics. A person holding a license issued by the director under AS 21.27 for more than one class of authority is not required to complete a greater number of credit hours than is required of a person holding a license for one class of authority. For

purposes of this subsection, **an expiration or** a lapse in licensure or cancellation or suspension of a license will be considered part of a full two-year license period. **Credit** [CONTINUING EDUCATION CREDIT] hours acquired by a licensee that conform with **3 AAC 23.100 – 3 AAC 23.208** [3 AAC 23.100 – 3 AAC 23.170] may be applied to the continuing education requirement for license renewal. **Credit hours will be allowed only within the renewal period in which the course is completed, unless the credit hours are carry-over credit hours permitted under AS 21.27.020(f).**

3 AAC 23.100(c) is amended to read:

(c) A licensee may earn credit hours only if a licensee completes **continuing education** courses [, SEMINARS, OR PROGRAMS OF INSTRUCTION] that meet the criteria **under 3 AAC 23.105 – 3 AAC 23.208** [IN 3 AAC 23.110 – 3 AAC 23.170].

3 AAC 23.100(d) is amended to read:

(d) If a licensee fails to meet the continuing education requirements in (b) of this section because of reasonable cause or excusable neglect, the licensee may submit a written request for an extension of time to the director [AT LEAST 90 DAYS] before [TO] the licensee's renewal date. The director **may** [WILL, IN THE DIRECTOR'S DISCRETION,] request the continuing education advisory committee appointed under AS 21.27.020(g) to review the request and recommend to the director whether an extension of time should be granted for the licensee to comply with (b) of this section. The director will notify the licensee by certified mail of the director's decision to grant or deny an extension of time.

3 AAC 23.100(e) is amended to read:

(e) If a licensee fails to **comply with** [MEET] the **credit hour** [CONTINUING EDUCATION] requirements in (b) of this section, the director will consider the licensee no longer qualified under AS 21.27.020 and the license **expires or** lapses, unless the licensee is granted an extension of time to comply with the continuing education requirements under (d) of this section. **An expired or lapsed license may be reinstated and renewed under AS 21.27.380.** In addition to any other requirements to reinstate **an expired or** [A] lapsed license, a licensee must complete the continuing education credit **hour** requirements. (Eff. 9/26/96, Register 139; am 7/25/2008, Register 187; am 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.150 AS 21.27.390
AS 21.27.020 AS 21.27.380

3 AAC 23.105 is amended to read:

3 AAC 23.105. Credit for continuing education. (a) A **contact class course or self-study** course [, SEMINAR, OR PROGRAM OF INSTRUCTION] will be accepted for continuing education credit if **the course** [IT IS A FORMAL PROGRAM OF LEARNING THAT]

(1) meets the **requirements of 3 AAC 23.188** [STANDARDS OF AS 21.27.020 AND 3 AAC 23.110]; and

(2) is in the general subject area of

(A) insurance technical or product information;

- (B) risk management;
- (C) insurance law and regulation;
- (D) mathematics, statistics, and probability;
- (E) economics;
- (F) business law;
- (G) finance;
- (H) taxation directly related to insurance products;
- (I) business insurance ethics;
- (J) licensee professional liability; [OR]
- (K) [BUSINESS ORGANIZATION,] management, **marketing** [AND ENVIRONMENT, INCLUDING MOTIVATION, PSYCHOLOGY], and sales training;

or

(L) securities specific to insurance products.

(b) The director will not approve more than eight [CONTINUING EDUCATION] credit hours in the general subject area of [BUSINESS ORGANIZATION,] management, **marketing**, and **sales training** [ENVIRONMENT] during the two-year license period. (Eff. 9/26/96,

Register 139; am 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.110 is repealed:

3 AAC 23.110. Academic and nonacademic program criteria. Repealed. (Eff. 9/26/96, Register 139; repealed 1 / 1 / 2014, Register 208)

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3 AAC 23.115 is repealed:

3 AAC 23.115. Computation of academic continuing education credit hours.

Repealed. (Eff. 9/26/96, Register 139; repealed 1 / 1 / 2014, Register 208)

3 AAC 23.120 is repealed and readopted to read:

3 AAC 23.120. Computation of continuing education credit hours. (a) The director will determine the number of credit hours to be assigned to each continuing education course based on

- (1) presentation hours for a contact class course; or
- (2) the word count of the course study material for a self-study course.

(b) A licensee may earn credit hours for a course only if the licensee successfully completes the course and the course meets the requirements under 3 AAC 23.188.

(c) Credit hours for a course will not be considered by the director when determining whether a licensee has met the continuing education requirements under AS 21.27.020(f) and 3 AAC 23.100 – 3 AAC 23.208 until

(1) a continuing education provider has submitted a complete course roster or other evidence to the director that the licensee has successfully completed the course and the licensee's successful completion of the course appears on the licensee's online transcript on file with the director;

(2) the licensee has paid the processing fee under 3 AAC 31.060 and submitted to the director a request to have the director manually process any continuing education provider-sponsored continuing education course successfully completed by the licensee; or

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(3) the licensee has paid the processing fee under 3 AAC 31.060 and submitted to the director a request to have the director consider, approve, and manually process a continuing education course completed under 3 AAC 23.204.

(d) Compliance by a licensee in meeting the continuing education requirements of AS 21.27.020(f) and 3 AAC 23.100 – 3 AAC 23.208 will be determined based on the completion date of each course. The director will review a licensee’s transcript on file with the director to determine whether the licensee has met the continuing education requirements. A licensee is responsible for monitoring the licensee’s continuing education transcript on file with the director to ensure that the licensee’s transcript is current and accurate. The licensee shall notify the director of any discrepancies in the transcript. (Eff. 9/26/96, Register 139; am 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.125 is repealed:

3 AAC 23.125. Nonacademic continuing education programs. Repealed. (Eff. 9/26/96, Register 139; repealed 1 / 1 / 2014, Register 208)

3 AAC 23.130 is repealed:

3 AAC 23.130. Credit for instructing an education program. (Eff. 9/26/96, Register 139; repealed 1 / 1 / 2014, Register 208)

3 AAC 23.135 is repealed:

3 AAC 23.135. **Publication credit.** Repealed. (Eff. 9/26/96, Register 139; repealed 1 / 1 / 2014, Register 208)

3 AAC 23.140 is amended to read:

3 AAC 23.140. Continuing education credit not allowed. The director will not allow continuing education credit for the following items:

(1) committee service in a professional organization or for the division [OF INSURANCE] under 3 AAC 23.145;

(2) **credit hours** [A COURSE, SEMINAR, OR PROGRAM OF INSTRUCTION] taken and claimed for credit more than once in any two-year license period;

(3) **credit hours** [A COURSE, SEMINAR, OR PROGRAM OF INSTRUCTION] completed before the effective date of the person's current license, except as provided under AS 21.27.020(f)(3) **or 3 AAC 23.100(e)**;

(4) **credit hours** [A COURSE, SEMINAR, OR PROGRAM OF INSTRUCTION] taken but not listed for **carry-over** [CARRYOVER] credit on the licensee's previous license period application as provided under AS 21.27.020(f)(3);

(5) a review, quiz, or examination;

(6) a course about or that includes automation, computer training, office skills, social networking, time management, or similar general education topics;

(7) a course about or that includes business succession planning, estate planning, financial planning, retirement planning, or risk management unless the continuing education provider or licensee can demonstrate to the satisfaction of the

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director that the course is direct and specific to insurance products or ethics for insurance

licensees. (Eff. 9/26/96, Register 139; am 12/28/2008, Register 188; am

1 / 1 / 2014, Register 208.)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.145(a) is amended to read:

(a) In accordance with AS 21.27.020(g), the director will appoint a **four-member** [FIVE-MEMBER] continuing education advisory committee to provide recommendations on continuing education compliance and advise the director on continuing education matters.

3 AAC 23.145 is amended by adding a new subsection to read:

(c) A person seeking specific action from the director concerning continuing education may request the director to schedule a meeting of the continuing education advisory committee to consider the specific action. The request must describe the proposed action and explain why the proposed action is necessary. Upon receipt of the request, the director will either make an independent decision regarding the request or schedule a meeting of the continuing education advisory committee to consider the request and submit a recommendation to the director about the requested action. (Eff. 9/26/96, Register 139; am 1 / 1 / 2014, Register 208.)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.150(a) is amended to read:

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(a) At the time a licensee applies for license renewal, a licensee shall submit a notarized affidavit stating that the licensee has complied with the continuing education requirements of 3 AAC 23.100 – 3 AAC 23.208 [3 AAC 23.100 – 3 AAC 23.170], on a form supplied by the director.

(Eff. 9/26/96, Register 139; am 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.155(a) is amended to read:

(a) The director will audit a sample of the affidavits submitted by licensees under 3 AAC 23.150 to verify compliance with 3 AAC 23.100 – 3 AAC 23.208 [3 AAC 23.100 – 3 AAC 23.170]. The director **may** [WILL, IN THE DIRECTOR'S DISCRETION,] request the assistance of the continuing education advisory committee to audit the sample and provide recommendations to the director. If the director requests the assistance of the committee, the director will solicit suggestions from the committee as to a plan of audit procedures, including a method for selecting affidavits to be audited and for verifying information on the affidavits. The director will establish the plan of audit and notify the committee, if utilized, of the appropriate procedures. Upon the request of the director, the committee will meet to conduct its activities under this section. The committee meetings are subject to the open meeting requirements of AS44.62.310 – 44.62.312.

(Eff. 9/26/96, Register 139; am 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.06.180 AS 21.27.020

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3 AAC 23 is amended by adding a new section to read:

3 AAC 23.157. Exemption from 3 AAC 23.150 and 3 AAC 23.155. The provisions of 3 AAC 23.150 and 3 AAC 23.155 do not apply to a licensee once the licensee's current continuing education records become available on the licensee's online transcript on file with the director. (Eff. 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.160 is amended to read:

3 AAC 23.160. Noncompliance. If a [THE] licensee fails to comply with 3 AAC 23.100 – 3 AAC 23.208 [3 AAC 23.100 – 3 AAC 23.170], the license lapses or expires [AND THE LICENSEE IS SUBJECT TO ADMINISTRATIVE ACTION UNDER AS 21.27.410 AND AS 21.27.440]. (Eff. 9/26/96, Register 139; am 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 [AS 21.27.410] [AS 21.27.440]
AS 21.27.020

3 AAC 23 is amended by adding new sections to read:

3 AAC 23.164. Continuing education provider qualifications. (a) In order to offer, sponsor, or advertise a continuing education course to a licensee in this state, a person must

- (1) submit an application on a form prescribed by the director;
- (2) pay an application fee under 3 AAC 31.060;
- (3) be approved and assigned an identifying number as a continuing education

provider by the director; and

(4) agree to participate in the division's online continuing education system provided by the National Association of Insurance Commissioners, known as *State Based Systems*.

(b) The director's approval of a continuing education provider expires on December 31 of the fourth year after the date of the approval. The continuing education provider may apply for renewal under 3 AAC 23.172. (Eff. 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.168. Continuing education provider requirements. (a) In addition to meeting the qualifications under 3 AAC 23.164, an approved continuing education provider shall

(1) ensure that each contact class course is conducted or facilitated by an instructor qualified under 3 AAC 23.184;

(2) obtain approval of the director for each course the continuing education provider offers in this state;

(3) ensure that each course offered follows the course outline and criteria approved by the director;

(4) obtain approval of the director for a course when there has been a substantial change to a previously approved course before the course is offered in this state;

(5) notify the director in writing not later than 30 days after a change in the provider's primary or alternate contact person, electronic mail address, mailing address, telephone number, or facsimile transmission number;

(6) notify the director in writing of any administrative action taken against the continuing education provider by a governmental agency of another state and submit to the director the final order or other relevant legal documents in the action not later than 30 days after the final disposition of the action;

(7) if the capability to monitor attendance exists, prepare and issue, not later than 30 days after the course completion date, a certificate of completion to each licensee who successfully completes the course if the licensee arrives by the time the course begins and stays until the conclusion of the course; the certificate of completion must include the

(A) licensee's name;

(B) licensee's national producer number that identifies the licensee in the producer database (PDB) of the National Association of Insurance Commissioners (NAIC);

(C) provider's name;

(D) provider's identification number assigned under 3 AAC 23.164;

(E) course number;

(F) date of completion of the course;

(G) number of credit hours earned by the licensee; and

(H) date and signature of the authorized designee of the provider;

(8) if the capability to monitor attendance does not exist, prepare and issue, not later than 30 days after the course completion date, a certificate of completion to each licensee who successfully completes the course and include in the certificate the same information required under (7) of this subsection;

(9) file on the division's online continuing education system, not later than 10 days after the course completion date, a course roster containing the

(A) names of the licensees who have successfully completed the course;

(B) the licensees' national producer numbers that identify the licensees in the producer database (PDB) of the National Association of Insurance Commissioners (NAIC);

(C) provider's identification number assigned under 3 AAC 23.164;

(D) course number;

(E) number of credit hours earned by each licensee; and

(F) for a contact class course, the

(i) date of the course;

(ii) location of the course; and

(iii) name of the instructor;

(10) for a contact class course,

(A) monitor and record the amount of time each licensee spent on the course through attendance registers, use of the Internet, or other verifiable means;

(B) designate an instructor who is responsible for verification of class attendance and course content completion; and

(C) use an attendance register that includes the

(i) provider's name;

(ii) provider's identification number assigned under 3 AAC 23.164;

- (iii) course number;
 - (iv) licensees' names;
 - (v) licensees' national producer numbers that identify the licensees in the producer database (PDB) of the National Association of Insurance Commissioners (NAIC);
 - (vi) licensees' signatures; and
 - (vii) initials of a licensee indicating each time the licensee arrived at or left the course site;
- (11) for a self-study course, if the capability exists, monitor and record the amount of time each licensee spends on the course through use of the Internet, or other verifiable means;
- (12) upon completion of a course, provide each licensee with an opportunity to complete a confidential evaluation of the course and the course instructor, if applicable;
- (13) supervise the continuing education provider's instructors, disinterested third parties, other employees, contractors, or any other person having contact with or access to a licensee or the records, equipment, or facilities of the continuing education provider;
- (14) assist the director and cooperate in any audit the director may conduct to determine compliance with AS 21.27.020 and 3 AAC 23.100 – 3 AAC 23.208, with the cost of the audit borne by the continuing education provider; and
- (15) maintain records and documents in accordance with the following retention schedule:

(A) records relating to a continuing education instructor - four years from the date of termination of the continuing education instructor's employment or contract with the continuing education provider;

(B) records relating to a course - four years from the date the course was offered;

(C) all other records - four years

(b) A continuing education provider shall make available to the director, not later than 10 working days after the director's request, continuing education records in sufficient detail to enable the director to determine whether the continuing education provider has met the requirements of AS 21.27.020 and 3 AAC 23.100 – 3 AAC 23.208. In addition to the records prepared under this section, the records a continuing education provider must maintain in accordance with the retention schedule under (a)(15) of this section are the documents prepared, developed, or required under 3 AAC 23.164, 3 AAC 23.172, 3 AAC 23.184, 3 AAC 23.188, 3 AAC 23.192, and 3 AAC 23.196.

(c) The continuing education provider may request the director to accept an examination score, grade report, or other evidence of the successful completion of a course instead of a certificate of completion.

(d) The continuing education provider shall pay a late fee under 3 AAC 31.060 if

(1) the course roster is received by the director more than 10 days after the course completion date; or

(2) the certificate of completion is not issued to the licensee within 30 days after the completion date of the course.

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(e) Failure to meet any of the requirements of this section is cause for the suspension or revocation of a continuing education provider's approval under 3 AAC 23.164. (Eff.

1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.170 is repealed:

3 AAC 23.170. Definitions. Repealed. (Eff. 9/26/96, Register 139; repealed

1 / 1 / 2014, Register 208)

Editor's note: Material formerly located in 3 AAC 23.170 is now located in 3 AAC 23.208. [IN 2010 THE REVISOR OF STATUTES, ACTING UNDER AS 01.05.031, RENUMBERED FORMER AS 21.90.900 AS 21.97.900. AS OF REGISTER 196 (JANUARY 2011), THE REGULATIONS ATTORNEY MADE A CONFORMING TECHNICAL REVISION UNDER AS 44.62.125(b)(6), TO 3 AAC 23.170, SO THAT THE CROSS-REFERENCE TO FORMER AS 21.90.900 NOW REFERS TO THE RENUMBERED STATUTE, AS 21.97.900. IN ADDITION, THE REGULATIONS ATTORNEY MADE A CONFORMING TECHNICAL REVISION TO THE AUTHORITY CITATION THAT FOLLOWS 3 AAC 23.170, SO THAT THE CITATION TO FORMER AS 21.90.900 NOW REFERS TO AS 21.97.900.]

3 AAC 23 is amended by adding new sections to read:

3 AAC 23.172. Continuing education provider renewal. (a) During the 60-day period the last day of which is the expiration date of a person's approval as a continuing

education provider, a person seeking to renew the approval for a four-year period must submit to the director an application for renewal on a form prescribed by the director and pay a renewal application fee under 3 AAC 31.060.

(b) The director's approval of a continuing education provider expires on December 31 of the fourth year after the date of the last approval.

(c) If the director does not receive the continuing education provider's renewal application and fee payment during the period set out in (a) of this section, the director's approval of the continuing education provider becomes inactive. A continuing education provider may not advertise, sponsor, or provide a continuing education course to a licensee unless the continuing education provider is approved by the director as a continuing education provider under 3 AAC 23.164.

(d) An inactive continuing education provider may apply for reinstatement not later than 60 days after the expiration date of the director's approval by completing the requirements under (a) of this section and remitting a late reinstatement fee under 3 AAC 31.060. (Eff.

1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.176. Suspension or revocation of a continuing education provider. The director may suspend or revoke the director's approval of a continuing education provider if the director determines the continuing education provider has violated the requirements of 3 AAC 23.100 – 3 AAC 23.208. Under this section, the director will not set a period of suspension that exceeds 12 months. In a suspension or revocation under this section, the director will set out the

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length of time during which the continuing education provider may not reapply for approval under 3 AAC 23.164. (Eff. 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.180. Referrals to a continuing education provider. A person that is subject to AS 21 may not accept a rebate, refund, fee, commission, or discount for the referral of a licensee to a continuing education provider without making full disclosure of the acceptance of the rebate, refund, fee, commission, or discount to the licensee and the director. (Eff. 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.184. Continuing education instructor qualifications. (a) A continuing education provider shall ensure that each of the continuing education provider's contact class courses is taught or presented by a continuing education instructor who is trustworthy and meets at least one of the following qualifications:

- (1) has three years' experience teaching or presenting the course or related subject matter within the five years before teaching or presenting the course;
- (2) is currently licensed for the subject matter being taught or presented and has been licensed in good standing under AS 21.27 for three of the last five years;
- (3) possesses a college degree in the subject matter being taught or presented;
- (4) possesses a recognized professional designation in the subject matter being taught or presented.

(b) A continuing education instructor must be in good standing in any state in which the individual currently holds an insurance license. If the individual had an insurance license suspended or revoked, the continuing education provider must document the reason for the suspension or revocation and include proof that the individual is now considered in good standing in that particular state.

(c) A continuing education provider shall collect and maintain documentation sufficient to demonstrate that each continuing education instructor meets the minimum qualifications under this section.

(d) The director may review existing records of continuing education instructors and may direct the continuing education provider to cease using a continuing education instructor who does not meet the qualifications of this section or fails to comply with all applicable requirements under 3 AAC 23.100 – 3 AAC 23.208. (Eff. 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.188. Continuing education course requirements. (a) A continuing education provider seeking approval of a continuing education course must submit to the director, at least 30 days before the first date the course is to be offered for credit, an application for course approval on a form prescribed by the director and pay an application fee under 3 AAC 31.060. A course may not be advertised before the course has been approved by the director.

(b) An application for course approval for a contact class course must include

(1) a course content outline or summary of the course, including a list of topics to be covered and an estimate of the time to be spent on each topic;

(2) the name and contact information of each instructor;

(3) the grading, evaluation, and course completion criteria; and

(4) the course instruction method.

(c) An application for course approval for a self-study course must include

(1) a course content outline or summary of the course;

(2) any study guide, document, or material to be provided to the course participants;

(3) the grading, evaluation, and course completion criteria;

(4) sample examinations; and

(5) the course instruction method.

(d) In addition to the applicable requirements under (b) or (c) of this section, an application for course approval for a contact class course or a self-study course that is offered online must include documentation that the course has

(1) reference materials, graphics, and interactivity;

(2) specific instructions on how to register for, navigate, and complete the course;

(3) technical support available during business hours;

(4) a process to authenticate the participant's identity; and

(5) a method that prevents access to the examination until the course has been completed.

(e) In accordance with the National Association of Insurance Commissioners' *NAIC Uniform Declaration Regarding Continuing Education Reciprocity Course Approval Guidelines*, revised as of September 1, 2009 and adopted by reference, the director will approve a continuing education course on terms that are reciprocal with those of the continuing education provider's home state if the general content meets the requirements of this section and 3 AAC 23.105.

(f) A continuing education provider may cancel and remove a course from the director's list of approved courses if the cancellation of the course is not backdated.

(g) The director may conduct unannounced audits of any approved course to monitor the continuing education provider's compliance with 3 AAC 23.100 – 3 AAC 23.208.

(h) The director's approval of a continuing education course expires on September 1 of the second year after the date of the approval. A continuing education provider shall submit a new application for course approval and pay an application fee under 3 AAC 31.060 whenever a substantial change to a previously approved course has occurred. The continuing education provider may apply for renewal of a course approval under 3 AAC 23.196. (Eff.

1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

Editor's note: The *NAIC Uniform Declaration Regarding Continuing Education Reciprocity Course Approval Guidelines*, adopted by reference in 3 AAC 23.188, may be obtained from the National Association of Insurance Commissioners' website at http://www.naic.org/committees_ex_pltf_plwg_cer.htm.

3 AAC 23.192. Continuing education course advertising requirements. A continuing education course may not be advertised, sponsored, or offered in this state unless the director has approved the course and the advertisement includes

- (1) the continuing education provider's name as approved by the director;
- (2) the course title as approved by the director;
- (3) a brief description of the content of the course;
- (4) the number of credit hours approved by the director; and
- (5) for a contact class course,
 - (A) the time and date the course will be offered; and
 - (B) the location where the course will be offered. (Eff.

1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.196. Continuing education course renewal. (a) A continuing education provider seeking renewal of a continuing education course for a two-year period shall submit an application for course renewal on a form prescribed by the director and pay a renewal fee under 3 AAC 31.060.

(b) The director's approval of a continuing education course expires on September 1 of the second year after the date of the last approval.

(c) If the director does not receive the course renewal application and fee payment before the close of business on the course expiration date, the course approval becomes inactive.

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(d) A provider may reinstate an inactive course approval not later than 60 days after the expiration date of that approval by completing the renewal requirements under (a) of this section and remitting a late reinstatement fee under 3 AAC 31.060. (Eff. 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.200. Revocation of a continuing education course. (a) The director may revoke the director's approval of a continuing education course if the director determines that the continuing education course violates the requirements of 3 AAC 23.100 – 3 AAC 23.208.

(b) The director may reinstate approval of a course that has been revoked if the director receives satisfactory proof that the conditions responsible for the revocation have been corrected and the possibility of reoccurrence of the violation has been eliminated. (Eff.

1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.204. Request for credit for non-approved course from a non-approved provider. (a) A licensee may request credit for completion of an insurance-related course organized and conducted by an entity that is not approved by the director as a continuing education provider. The director will consider the educational value of the course.

(b) A request to the director to consider and manually process a continuing education course for credit under this section must include

(1) documentation signed by an instructor or other person in charge verifying the licensee's successful completion of the course;

(2) documentation of the course content in sufficient detail to enable the director to determine the amount of credit, if any, the licensee merits for successfully completing the course; and

(3) proof that the licensee has paid the processing fee under 3 AAC 31.060. (Eff. 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.208. Definitions. In 3 AAC 23.100 - 3 AAC 23.208, unless the context requires otherwise,

(1) "certificate of completion" means a document signed by an authorized designee of a continuing education provider attesting to the successful completion of a continuing education course by a licensee and confirming the number of credits earned for the continuing education course;

(2) "contact class course" means a classroom presentation, webinar, workshop, seminar, lecture, teleconference, or virtual class that has monitored attendance and an instructor available either in person or by means of the Internet or another technological medium that enables a licensee and the instructor to communicate and exchange information during the course;

(3) "contact person" means an individual designated by a continuing education provider to be responsible for the continuing education provider's compliance with 3 AAC

23.100 - 3 AAC 23.208; the continuing education provider may designate a primary and an alternate contact person;

(4) “course number” means the identifying number assigned by the director to an approved continuing education course;

(5) “course outline” means

(A) a list of topics to describe the content of a continuing education course; and

(B) the amount of time allotted to each topic;

(6) “credit hour” means an amount of work represented in intended learning outcomes and verified by evidence of student achievement that is established by the director and for each credit hour is at least 50 minutes of continuous instruction for contact class courses or at least 50 minutes of self-study for a self-study course;

(7) “disinterested third party” means a person who is

(A) not related to the examinee;

(B) not an immediate supervisor or employee of the examinee; and

(C) not concerned, with respect to possible gain or loss, about the result of a pending course final examination;

(8) “home state” means

(A) the state where the continuing education provider maintains the continuing education provider’s principal place of residence or principal place of business; or

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(B) the state that the continuing education provider elects to recognize as the home state for the purpose of filing courses in order for the continuing education provider to obtain the maximum credit hours allowed for a course;

(9) “online course” means a self-study course taken on the Internet with an internal testing program that ensures that a licensee cannot take the final examination without completing the course;

(10) “self-study course” means a course that

(A) does not have an instructor available to communicate and exchange information during the course; and

(B) provides study materials in text, video, audio, or electronic form.

(Eff. 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.27.020

Editor’s note: Before Register 208, January 2014, the substance of 3 AAC 23.208 appeared as 3 AAC 23.170. The history note for 3 AAC 23.208 does not reflect the history of the earlier provision.

Chapter 26 Trade Practices.

Article 6. Annuity Contract Disclosures.

The introductory language of 3 AAC 26.778(b) is amended to read:

(b) An insurance producer who engages in the sale of an annuity product shall complete a one-time minimum four credit-hour annuity training course approved by the director and provided in accordance with AS 21.27.020 and 3 AAC 23.100 - 3 AAC 23.208 [3 AAC 23.100 - 3 AAC 23.170] covering the course material listed in (c) of this section. An insurance producer who desires to sell an annuity meets the requirements of this section if

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3 AAC 26.778(e) is amended to read:

(e) The annuity training required under (b) of this section must comply with the applicable requirements under AS 21.27.020 and 3 AAC 23.100 - 3 AAC 23.208 [3 AAC 23.100 - 3 AAC 23.170] and include a certificate of completion to an insurance producer who successfully completes the annuity training.

3 AAC 26.778(f) is amended to read:

(f) The annuity training required under (b) of this section may be conducted and completed by classroom or self-study that meets the applicable requirements under AS 21.27.020 and 3 AAC 23.100 - 3 AAC 23.208 [3 AAC 23.100 - 3 AAC 23.170].

3 AAC 26.778(h) is amended to read:

(h) The annuity training required under (b) of this section may be used to fulfill the [CONTINUING EDUCATION] credit hour requirements under AS 21.27.020 and 3 AAC 23.100 - 3 AAC 23.208 [3 AAC 23.100 - 3 AAC 23.170].

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(Eff. 10/16/2011, Register 200; am 1 / 1 / 2014, Register 208)

Authority: AS 21.06.090 AS 21.36.030 AS 21.36.050
AS 21.36.020 AS 21.36.040 AS 21.36.900

3 AAC 26.789(3) is amended to read:

(3) “[CONTINUING EDUCATION] credit hour” has the meaning given in

3 AAC 23.208 [3 AAC 23.170];

(Eff. 7/25/2008, Register 187; am 10/16/2011, Register 200; am 1 / 1 / 2014,
Register 208)

Authority: AS 21.06.090 AS 21.36.030 AS 21.36.050
AS 21.27.350 AS 21.36.040 AS 21.36.900
AS 21.36.020

Chapter 31. Miscellaneous.

Article 1. Fees.

3 AAC 31.060(a) is amended by adding new paragraphs to read:

(23) initial application of a continuing education provider, \$200;

(24) continuing education provider renewal fee, \$100;

(25) late fee for reinstatement of a continuing education provider, \$50;

(26) initial application for and biennial renewal of a continuing education course,

\$50;

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(27) late fee for reinstatement of a continuing education course, \$50;

(28) late filing fee for a continuing education course roster, \$250;

(29) late fee for issuance of a continuing education course certificate of completion, \$20;

(30) licensee request for manually updating licensee's transcript, including adding successfully completed courses, \$50;

(31) licensee request for course credit under 3 AAC 23.204, \$50.

(Eff. 6/2/88, Register 106; am 7/1/89, Register 110; am 7/1/92, Register 123; am 3/30/94, Register 129; am 3/15/97, Register 141; am 8/23/2001, Register 159; am 12/30/2006, Register 180; am 10/13/2011, Register 200; am 1 / 1 / 2014, Register 208)

Authority:	AS 21.06.090	AS 21.27.025	AS 21.66.210
	AS 21.06.250	AS 21.34.040	AS 21.75.045
	<u>AS 21.27.020</u>	AS 21.36.355	