

Register 139, October 1996 COMMERCE AND ECON. DEV.

TITLE 3. COMMERCE 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 is amended by adding new sections to read:

ARTICLE 1. LICENSING REQUIREMENTS.

Section

[100. Continuing education as a qualification for license renewal](#)

[105. Credit for continuing education](#)

[110. Academic and nonacademic program criteria](#)

[115. Computation of academic continuing education credit hours](#)

[120. Computation of nonacademic continuing education credit hours](#)

[125. Nonacademic continuing education programs](#)

[130. Credit for instructing an education program](#)

[135. Publication credit](#)

[140. Continuing education credit not allowed](#)

[145. Continuing education advisory committee](#)

[150. Affidavit of compliance](#)

[155. Audit of continuing education compliance](#)

[160. Noncompliance](#)

[170. Definitions](#)

3 AAC 23.100. CONTINUING EDUCATION AS A QUALIFICATION FOR LICENSE RENEWAL. (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 23.170 unless the licensee seeks renewal of

- (1) a temporary license under AS 21.27.390;
- (2) a limited lines retired insurance producer license;
- (3) a limited lines travel insurance producer license; or

(4) a license that was first issued before January 1, 1980.

(b) After June 30, 1998, 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. For purposes of this subsection, a lapse in licensure or cancellation or suspension of a license will be considered part of a full two-year license period. Continuing education credit hours acquired by a licensee after June 30, 1996 that conform with 3 AAC 23.100 - 3 AAC 23.170 may be applied to the continuing education requirement for license renewal after June 30, 1998.

(c) A licensee may earn credit hours only if a licensee completes courses, seminars, or programs of instruction that meet the criteria in 3 AAC 23.110 - 3 AAC 23.170.

(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 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.

(e) If a licensee fails to meet the 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 lapses, unless the licensee is granted an extension of time to comply with the continuing education requirements under (d) of this section. In addition to any other requirements to reinstate a lapsed license, a licensee must complete the continuing education credit requirements. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.380 AS 21.27.020 AS 21.27.390

3 AAC 23.105. CREDIT FOR CONTINUING EDUCATION. (a) A course, seminar, or program of instruction will be accepted for continuing education credit if it is a formal program of learning that

(1) meets the 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, and environment, including motivation, psychology, and sales training.

(b) The director will not approve more than eight continuing education credit hours in the general subject area of business organization, management, and environment during the two-year license period. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.110. ACADEMIC AND NONACADEMIC PROGRAM CRITERIA. (a) Subject to the requirements of 3 AAC 23.105, continuing education credit may be claimed for academic and nonacademic programs requiring class attendance if the course sponsor or provider

- (1) prepares a course outline in advance and retains the outline for four years;
- (2) provides a program that is a minimum of one contact hour;
- (3) ensures that the program is conducted by a qualified instructor;
- (4) retains a record of registration and attendance for four years that has been signed by each attendee; and
- (5) retains biographical information on a qualified instructor for four years after the qualified instructor has presented a program offered by the course sponsor or provider.

(b) A licensee may claim continuing education credit for a nonacademic educational program that does not require class attendance, such as a self-study program, an instructional video, or instruction by electronic means. A licensee shall maintain documentation sufficient to establish completion of the program and to demonstrate that the program meets the requirements of 3 AAC 23.105. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.115. COMPUTATION OF ACADEMIC CONTINUING EDUCATION CREDIT HOURS. (a) For a university or college academic course completed for credit at an accredited educational institution,

- (1) one semester hour of academic credit equals 15 continuing education credit hours; and
- (2) one quarter hour of academic credit equals 10 continuing education credit hours.

(b) For a university or college continuing education course offered by an accredited educational institution, one continuing education unit equals 10 continuing education credit hours.

(c) A licensee may not claim continuing education credit for a challenged or audited course. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.120. COMPUTATION OF NONACADEMIC CONTINUING EDUCATION CREDIT HOURS. For a nonacademic education course, seminar, or program of instruction, the number of continuing education credit hours equals the actual number of contact hours. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.125. NONACADEMIC CONTINUING EDUCATION PROGRAMS. The following courses, seminars, or programs of instruction, as structured on July 1, 1996, meet the standards of AS 21.27.020, 3 AAC 23.105, and 3 AAC 23.110 and provide the indicated continuing education credit hours:

- (1) a 13-week course of the Life Underwriting Training Council "LUTC" course curriculum, 13 credit hours;
- (2) one course of the American College Chartered Life Underwriter "CLU" diploma curriculum, 45 credit hours;
- (3) one course of the International Foundation of Employee Benefit Plans' Certified Employee Benefit Specialist "CEBS" professional designation program, 30 credit hours;
- (4) one course of the College for Financial Planning "CFP" diploma curriculum, 30 credit hours;
- (5) one course of the Chartered Financial Planning "ChFC" diploma curriculum, 45 credit hours;
- (6) one course of the Insurance Institute of America's "IIA" program, 45 credit hours;

(7) one course of the American Institute for Property and Liability Underwriters' Chartered Property Casualty Underwriter "CPCU" professional designation program, 45 credit hours;

(8) one course of the Certified Insurance Counselor "CIC" program, 20 credit hours;

(9) one course of the Certified Insurance Service Representative "CISR" designation program, 6 credit hours;

(10) the National Association of Health Underwriters= Registered Health Underwriter "RHU" professional designation program, 45 credit hours. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.130. CREDIT FOR INSTRUCTING AN EDUCATION PROGRAM. (a) Subject to the limitations in this section, a licensee may claim one continuing education credit hour for each hour the licensee spends instructing an education program that meets the requirements of AS 21.27.020, 3 AAC 23.105, and 3 AAC 23.110. The continuing education credit may be claimed only once for instruction of a specific education program unless the director finds that substantial new developments have occurred in the subject area and information on the new developments is included in a subsequent presentation of the program by the licensee.

(b) In addition to the continuing education credit hours claimed under (a) of this section, a licensee may claim a continuing education credit hour for each hour the licensee spends preparing to instruct an education program. A licensee, however, may not claim more than two hours of preparation time for each hour of instruction time claimed.

(c) A licensee may not claim more than eight credit hours under this section during a two-year license period. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.135. PUBLICATION CREDIT. A licensee may claim continuing education credit hours for an article published in a widely circulated and recognized professional publication or an insurance-related book. Before submitting an affidavit of compliance required under 3 AAC 23.150 and not less than 90 days before the licensee's license expires, a licensee claiming publication credit shall submit a copy of the publication showing authorship to the director. The director will, in the director's discretion, refer the submission to the continuing education advisory committee appointed under 3 AAC 23.145 for recommendation. After consideration of any recommendation from the committee, the director will determine the number of credit hours that will be allowed, if any, for the publication of the licensee. The director will notify the licensee of this determination by mail. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

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 32.145;

(2) a course, seminar, or program of instruction taken more than once unless the director determines that substantial new developments have occurred in the subject area and information on the new developments is included in the educational program since the licensee first attended the program;

(3) a course, seminar, or program of instruction completed before the effective date of the person's current license, except as allowed in AS 21.27.020(f)(3). (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.145. CONTINUING EDUCATION ADVISORY COMMITTEE. (a) In accordance with AS 21.27.020(g), the director will appoint a five-member continuing education advisory committee to provide recommendations on continuing education compliance and advise the director on continuing education matters.

(b) Members of the continuing education advisory committee shall serve staggered three-year terms at the pleasure of the director. The director will, in the director's discretion,

(1) reappoint a committee member to additional three-year terms;

(2) remove or replace a committee member as appropriate; or

(3) appoint alternates to substitute for committee members on an as-needed basis, so long as the representation requirements of AS 21.27.020(g) are met. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.150. AFFIDAVIT OF COMPLIANCE. (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 23.170 on a form supplied by the director.

(b) If an affidavit of compliance is not received by the director by the license renewal date, the license lapses.

(c) The licensee is responsible for maintaining adequate and detailed records of all continuing education credit hours claimed on the affidavit and shall make the records available to the director upon request. The licensee shall retain these records for two years from the license renewal date for which the continuing education credits are submitted and for four years if the credits are to be applied to the next license renewal period. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020

3 AAC 23.155. AUDIT OF CONTINUING EDUCATION COMPLIANCE. (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 23.170. The director 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 AS 44.62.310 - 44.62.312.

(b) The director will notify a licensee of an audit by mail at the mailing address on file with the division no later than six months after the license renewal date. If a committee member is selected for audit and the director requests the assistance of the committee on the audit, that committee member may not participate in providing recommendations on the audit.

(c) If audited, a licensee who refuses to cooperate with the director may be considered untrustworthy under AS 21.27.020 and subject to administrative action.

(d) If the director or the committee, at the request of the director, cannot verify information listed in an affidavit of compliance, the director will notify the licensee by certified mail that additional information is needed to verify compliance with the continuing education requirements. The licensee shall have 30 days from the date of receipt of the notification to provide verification. The director will, in the director's discretion, deny continuing education credit for the failure to provide sufficient verification requested under this section.

(e) If the committee is requested to assist in the audit, the committee shall submit findings and recommendations to the director regarding the licensee's compliance or noncompliance with the continuing education requirements. The director will accept, reject, or modify the committee's recommendations and will notify the licensee of the director's decision by certified mail.

(f) The director will, in the director's discretion, grant a licensee 60 days in which to replace continuing education credits that are found to be unacceptable under the audit. The replacement continuing education credits will be audited under AS 21.27.020 and this section.

(g) A licensee may submit a written request for a hearing under AS 21.06.180 regarding the director's decision under (e) of this section. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.020 AS 21.06.180

3 AAC 23.160. NONCOMPLIANCE. If the licensee fails to comply with 3 AAC 23.100 - 3 AAC 23.170, the licensee is subject to administrative action under AS 21.27.410 and 21.27.440. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.27.410 AS 21.27.020 AS 21.27.440

3 AAC 23.170. DEFINITIONS. In 3 AAC 23.100 - 3 AAC 23.170 unless the context requires otherwise

(1) "accredited educational institution" means an institution of higher learning that is accredited by the jurisdictional regional accreditation agency;

(2) "challenged course" means a course for which academic credit is granted by examination only, before and without completion of the actual course;

(3) "committee" means the continuing education advisory committee established under AS 21.27.020(g);

(4) "contact hour" means an hour of classroom instruction or participation of which at least 50 minutes is continuous instruction or participation;

(5) "continuing education credit hour" means a contact hour that meets the criteria of 3 AAC 23.105 and 3 AAC 23.110;

(6) "licensee" has the same meaning as in AS 21.90.900;

(7) "qualified instructor" means an instructor who has the background, training, education, or experience that the director determines is necessary to teach a class regarding a specific subject;

(8) "reasonable cause or excusable neglect" includes

(A) chronic illness;

(B) military service; and

- (C) a hardship as determined on an individual basis by the director;

(9) "seminar" means a session of instruction of at least one contact hour conducted by a qualified instructor. (Eff. 9/26/96, Register 139)

Authority: AS 21.06.090 AS 21.90.900 AS 21.27.020

Thank you for visiting this web page. For help or information, please send an e-mail message to the Division of Insurance at: insurance@alaska.gov

Revised 08/09/99