

NAIC Uniform Declaration Regarding Continuing Education 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.

The Commissioners agree as follows:

1. Once a CE provider residing in a State has received initial approval to offer courses in its home State, that reciprocal State will 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 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. 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, the CE Provider may elect to recognize another home state 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 State will agree to a 30-day review and approval process for a course that is filed using the NAIC Uniform Continuing Education Reciprocity Course Filing Form (Exhibit A) 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 (Exhibit A), or a substantially similar form, including the delivery by electronic means, and the required attachment(s) as the sole form required by a non-resident CE provider.
4. Each State will use the following standards for course approval:
 - a. One 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. 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.
 - c. 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.
 - d. 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.
 - e. 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.

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 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.

Recommended Guidelines for Online Courses

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.

Adopted by the PLWG in Dec, 2005

Guidance for Online CE Courses

DATE: September 1, 2009

TO: Anne Marie Narcini, Chair of the Producer Licensing Working (EX) Group

FROM: Leroy Brungardt

RE: Guidance for Online CE Courses

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).**