

## **TITLE 230 – DEPARTMENT OF BUSINESS REGULATION**

### **CHAPTER 20 – INSURANCE**

#### **SUBCHAPTER 50 – INSURANCE PRODUCERS AND OTHER NON-INSURER LICENSEES**

##### **PART 2 - CONTINUING EDUCATION FOR INSURANCE PRODUCERS**

### **2.1 Authority**

- A. This Part is promulgated in accordance with R.I. Gen. Laws § 27-3.2-8.

### **2.2 Purpose**

- A. The purpose of this Part is to establish requirements and standards for continuing education programs for individual resident insurance producers.

### **2.3 Definitions**

- A. As used in this Part:

1. "Continuing education course provider" or "Provider" means any person or entity which is approved by the Department to provide continuing education course(s) for insurance producers pursuant to R.I. Gen. Laws Chapter 27-3.2.
2. "Department" means Department of Business Regulation, Division of Insurance.
3. "Director" means the Director of the Department of Business Regulation or his or her designee.
4. "License" means a document issued by the Department authorizing a person to act as an insurance producer for the lines of authority specified in the document. The license itself does not create any authority, actual, apparent or inherent authority, in the holder to represent or commit an insurance carrier.
5. "License renewal period" means each biennial license period during which the individual holds the license prior to the renewal date.
6. "NAIC" mean National Association of Insurance Commissioners.

7. "Resident" means a person who either resides in Rhode Island or maintains an office in Rhode Island where the business of producing insurance is transacted and designates Rhode Island as the residence for purposes of licensure.
8. "Reciprocal state" means any state which grants nonresident insurance producer licenses to licensed Rhode Island insurance producers without the necessity of examination on the basis of the Rhode Island license.

## **2.4 Applicability**

- A. This Part applies to resident insurance producers licensed to engage in the sale of the following lines or class of insurance:
  1. Life insurance;
  2. Accident & Health and Sickness insurance;
  3. Property insurance;
  4. Casualty insurance; and
  5. Personal Lines.

## **2.5 Exemptions**

- A. This Part does not apply to:
  1. Those residents holding licenses to sell any kind or kinds of insurance for which an examination is not required;
  2. Residents holding insurance producer licenses limited to credit, crop, travel, surety, car rental or title insurance;
  3. Non-resident licensees who meet continuing education requirements established by the insurance department in their home state if the home state is reciprocal with the State of Rhode Island; or
  4. Residents holding a license continuously without a lapse of licensure for twenty-five (25) years and who are age fifty-five (55) at the time of renewal.
    - a. A lapse has occurred if the producer's license expired and was not reinstated.
    - b. A producer's license may be reinstated if the producer submits an Application of License Reinstatement and pays the renewal fee within thirty (30) days of expiration. If the application is submitted

more than thirty (30) days after expiration of the license, the licensee must pay both the renewal fee and a reinstatement fee. If a license is reinstated it is not considered to have lapsed. Licenses cannot be reinstated more than one year after expiration.

- c. A producer who reinstates must complete continuing education in exactly the same manner as would have been required if the license was renewed prior to the expiration date.

5. Any exemption granted by the Department.

## **2.6 Educational Requirements**

- A. Any person to which this Part applies shall, for each biennial license period, satisfactorily complete approved continuing education courses equivalent to a minimum of twenty-four (24) accumulated credit hours including three (3) hours of ethics.
- B. A person teaching any approved course of instruction or lecturing at any approved seminar shall qualify for the same number of classroom hours as would be granted to a person taking and successfully completing that course, seminar, or program.
- C. Licensees who have relocated to Rhode Island after being licensed in another state shall provide, on the first renewal of the license, twenty-four (24) credits consisting of courses approved either in the licensees' prior resident state or in Rhode Island. The Department will accept a combination of such courses as long as the credits submitted total twenty-four (24) including three (3) hours of ethics.

## **2.7 Approved Courses**

- A. The following are the categories of courses that are approved for continuing education credit:
  - 1. Rhode Island home state approved courses
    - a. All courses offered by Providers located in Rhode Island shall be submitted electronically to the Department for review and approval. No review fee shall be charged to Providers located in Rhode Island. Any course or program of instruction, seminar or correspondence course approved by the Department shall qualify for the number of hours assigned to it by the Department.
      - (1) When the course is given by classroom instruction the number of hours for which it qualifies will be based on the number of actual classroom hours.

- (2) For courses given in whole or partly online or by self-study, the Provider shall fully describe its calculation of the number of credit hours requested and the basis therefore.
- b. In evaluating courses, the Department will be looking for satisfaction of the following criteria:
  - (1) Material that is current, relevant, accurate, and that includes valid reference materials, graphics and interactivity.
  - (2) Clearly defined objectives and course completion criteria
  - (3) Specific instructions to register, navigate and complete the course work.
  - (4) Technical support/Provider representative be available during business hours.
  - (5) Process to authenticate student identity.
  - (6) Method for measuring the student's successful completion of course material and for evaluating the learning experience.
  - (7) A monitor is not required for examinations.
- c. The following criteria will be evaluated, in addition to those listed in § 2.7(A)(1)(b) of this Part above, for online courses:
  - (1) Each producer should be required to enroll for the course before having access to course material.
  - (2) Prevent access to the course exam before review of the course materials.
  - (3) Prevent downloading of any course exam.
  - (4) 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.
  - (5) Provide final exam questions that do not duplicate unit/chapter questions.
  - (6) Prevent alternately accessing course materials and course exams.

2. Courses approved in other states.

- a. Any nationally recognized approved continuing education course, program of instruction, training seminar or correspondence course approved by a reciprocal state shall qualify for the same number of hours assigned to it by the reciprocal state as credit in Rhode Island as if it were approved by the Department.
  - b. Any continuing education course approved in a home state that is not reciprocal with Rhode Island Providers must submit the course to the Department in the same manner as a Rhode Island domiciled Provider and pay a fee of seventy-five dollars (\$75) per course.
- B. Approved courses are effective for two years from the date the course is approved.
- C. Approved courses may be renewed up to ninety (90) days in advance of expiration.

## **2.8 Approved Providers and Course Submissions**

- A. Continuing Education Course Providers
  - 1. Each Provider shall register with the Department on a form and in a manner designated by the Department.
  - 2. Once registered the Provider may submit courses for approval as described below. The Provider is responsible for keeping all information on file with the Department current.
  - 3. There is a one hundred-dollar (\$100) initial fee and an annual fifty-dollar (\$50) renewal fee for this Provider registration.
  - 4. All Providers shall renew their registration each year no later than January 1 regardless of when the initial registration was made. If the Provider fails to renew within thirty (30) days, it will have to apply as a new Provider. Any courses approved for a Provider that has failed to renew will have that approval terminated by virtue of the fact that the Provider has not renewed.
  - 5. Providers shall submit course rosters electronically in accordance with instructions provided by the Department for each licensee who completes the course, within ten (10) days of completion of the course. Failure to file the roster electronically shall be grounds to revoke the Providers ability to offer courses in Rhode Island.
- B. Rhode Island Home State Approved Courses
  - 1. Providers shall submit an application for course approval on a form and in a manner designated by the Department.

2. In addition to the application and required supporting documents, Providers must remit a nonrefundable fee of sixty dollars (\$60) for each course submitted.
  3. The Provider must submit all course material at least ninety (90) days prior to the proposed effective date of the course.
- C. Continuing Education Courses Approved in Reciprocal States
1. If a course has been approved in the Provider's home state, Providers shall submit an application for reciprocal course approval on a form and in a manner designated by the Department.
  2. In addition to the application and required supporting documents, Providers must remit a nonrefundable fee of sixty dollars (\$60) for each reciprocal course submitted.
- D. Continuing Education Courses submitted by Providers in Non-Reciprocal States
1. If a course is submitted by a Provider located in a state that is not reciprocal with Rhode Island, the course will be subject to full review as if Rhode Island were the home state, and the Provider will be charged a review fee of seventy-five dollars (\$75) per course.
  2. The Provider must submit all course material at least ninety (90) days prior to the proposed effective date of the course.

## **2.9 Compliance**

- A. Any person licensed pursuant to this Title and not exempt under § 2.5 of this Part shall comply with all of the terms and requirements of this Part.
- B. Up to twelve (12) excess continuing education credits accumulated during a biennial license cycle may be carried forward through the end of the next renewal period. Ethics credits will be carried forward as general credits so that the required three (3) ethics credit must be obtained during the biennial license cycle.
- C. Although Providers are required to submit completion of course credits electronically, residents are required to maintain proof of the continuing education courses taken. Copies of these certificates need be submitted only if requested by the Department. Producers have the burden of showing compliance with continuing education requirements.
- D. The Director, for good cause shown, may grant an extension of time during which the requirements of this Part may be completed. Unless the Director finds extraordinary circumstances that extension of time shall not exceed the period of one year.

- E. If requested by the Department, every person subject to the provisions of this Part shall furnish, in a form satisfactory to the Director, written certification as to the courses, programs, or seminars of instruction taken and successfully completed by that person. The certification shall be executed by or on behalf of the sponsoring organization.

## **2.10 Penalty**

- A. Any person failing to meet the requirements of this Part and who has not been granted an extension of time within which to comply or who has submitted a false or fraudulent certificate of compliance, shall be subject to any or all of the penalties in R.I. Gen. Laws § 42-14-16. Such person will be given the opportunity to dispute the allegations and/or penalty pursuant to R.I. Gen. Laws Chapter 42-35. Any Provider that fails to comply with the requirements of this Part, including electronic submission of credits, will be subject to being removed from the list of Providers approved to offer courses in Rhode Island.

## **2.11 Fees**

- A. All persons licensed pursuant to R.I. Gen. Laws § 27-2.4-1 et seq. shall pay a fee of five dollars (\$5) per annum along with continuing education compliance.
- B. All Providers shall be charged a fee of sixty dollars (\$60) for each continuing education course submitted for approval, both new and renewal.
- C. All Providers shall be charged an initial registration fee of one hundred dollars (\$100).
- D. All Providers shall be charged an annual renewal registration fee of fifty dollars (\$50).
- E. All Providers shall remit the requisite transaction fee per credit hour for electronic transcript reporting for each insurance producer who completes the course.
- F. All Continuing Education Courses submitted by providers domiciled in a state that is not reciprocal with Rhode Island shall be charged a seventy-five dollar (\$75) review fee per course.

## **2.12 Collection of Continuing Education Course Data**

- A. The Department may contract with non-governmental entities, including the NAIC or any affiliates or subsidiaries that the NAIC oversees, to perform any ministerial functions, including the collection of continuing education course data, related to licensing that the Department may deem appropriate.

## **2.13 Severability**

- A. If any provision of this Part or the application thereof to any person or circumstances is held invalid or unconstitutional, the invalidity or unconstitutionality shall not affect other provisions or applications of this Part which can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this Part are severable.

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**TITLE 230 - DEPARTMENT OF BUSINESS REGULATION (INCLUDES  
THE OFFICE OF THE HEALTH INSURANCE COMMISSIONER)**

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