



**COMMONWEALTH OF KENTUCKY
PUBLIC PROTECTION CABINET
DEPARTMENT OF INSURANCE**

**CONTINUING EDUCATION PROVIDER TRAINING:
LEGAL & ETHICAL ISSUES**

June 24, 2009

RELEVANT INSURANCE CODE STATUTES AND REGULATIONS

KRS 304.9-260: Continuation and expiration of license; receipt of renewal fees; continuing education documentation.

KRS 304.9-295: Biennial continuing education requirements for licensed agents; exceptions; courses; number of hours; failure to complete; penalty.

- See especially KRS 304.9-295(10):

The provider shall furnish to the Commissioner certification as to the continuing education courses satisfactorily completed by each licensee. The certification shall be signed or authenticated by or on behalf of the provider sponsoring the continuing education course.

- See especially KRS 304.9-295(13):

- The Commissioner may withdraw approval of a continuing education provider, course, or instructor for good and just cause;*
- In addition to or in lieu of withdrawal of approval, the Commissioner may impose a civil penalty of not more than one thousand dollars (\$1,000) per violation of this chapter by a provider or an instructor.*

806 KAR 9:220: Continuing Education.

- This is the main regulation regarding course and instructor approval. Please see attached copy of regulation.

806 KAR 9:340: Forms for application, appointment, prelicensing, and continuing education course completion; examination retake, provider and course approval; filing fee submission, instructor approval, continuing education attendance roster, and certificate of completion; specialty credit insurance producer supplement to license application, rental vehicle license supplemental application, continuing education certificate of completion, rental vehicle managing employee, continuing education certificate of completion; unlicensed employees, and representatives of rental vehicle agent; record correction, and background check request.

TAKE NOTE: COMMON PROVIDER VIOLATIONS

- Failure to have a course properly approved.
See 806 KAR 9:220, Section 2.
- Failure to have a course timely approved.
See 806 KAR 9:220, Section 2, (2)(a) – 60 day advance notice.

- Failure to provide material changes in a continuing education course for approval.
See 806 KAR 9:220, Section 2, (6).
 - Failure to have an Instructor properly approved.
See "Instructor Approval Application" in 806 KAR 9:340
 - Failure to use proper sign-in procedures.
See 806 KAR 9:220.
 - Failure to verify identity of attendee.
See 806 KAR 9:220.
 - Failure to maintain proof of completion documentation for all attendees for a minimum of five (5) years.
See 806 KAR 9:220, Section 6(1)(b) and (2)(a).
 - Certification that a licensee has satisfactorily completed a course when the licensee has not done so.
See 806 KAR 9:220.
 - Incorrect entry of information into state system.
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PENALTIES

- **Withdrawal of Approval of a Continuing Education Course**
(i.e. Ban of course within the Commonwealth of Kentucky)
Pursuant to KRS 304.9-295(13) and 806 KAR 9:220, Section 4.
 - **Withdrawal of Approval of an Instructor**
(i.e. Ban from employing an individual as a course instructor)
Pursuant to KRS 304.9-295(13) and 806 KAR 9:220, Section 4.
 - **Withdrawal of Approval of a Provider**
(i.e. Ban from offering courses within the Commonwealth of Kentucky)
Pursuant to KRS 304.9-295(13) and 806 KAR 9:220, Section 4.
 - **Civil Penalties for Violation of an Insurance Code Statute or Regulation**
(i.e. monetary fines, withdrawal of approval or both; monetary penalty of not more than \$1000 per violation.)
Pursuant to KRS 304.9-295(13)(b) and KRS 304 Subtitle 99.
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- **Reasons for Withdrawal of Approval:**
 - The continuing education course teaching methods or course content no longer meet the requirements of KRS 304.9-295 or Sections 2 and 3 of 806 KAR 9:220;
 - The continuing education course provider has certified to the Commissioner that a licensee has satisfactorily completed the course when, in fact, the licensee has not done so;
 - The continuing education course provider fails to certify to the Commissioner that a licensee has satisfactorily completed the course when, in fact, the licensee has done so;
 - **Unethical conduct of a provider or instructor.**
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May 22, 2009

Effective January 5, 2009, some changes took effect concerning Kentucky-Approved Education Providers.

MAJOR CHANGES THAT IMPACT LICENSEES SUBJECT TO CONTINUING EDUCATION (CE):

- 12-hour classroom continuing education requirement was removed. A licensee may choose to take all or part of their continuing education courses as correspondence, self-study, or distance learning. The 6-hour line of authority and 3-hour ethics requirement did not change, and are still required each compliance period.

MAJOR CHANGES THAT IMPACT PRELICENSING AND CE PROVIDERS:

ALL PRE-LICENSING and CE course submissions are required to be submitted through the Department of Insurance (DOI) online system, you are no longer required to mail in the original roster or CE compliance form, **AFTER** submitting information through the Kentucky DOI online eServices system. Electronic submissions will be automatically loaded into each licensee's record, and credited toward their CE or pre-licensing compliance requirement.

- NOTE: Providers are still **REQUIRED** to give each attendee a copy of their Certificate of Pre-licensing Completion (CPL-01) and Continuing Education Completion (CE-301) to retain in their files.
- If a record you submitted is unable to be loaded, you will receive a "Rejection" notice, at which time you will be required to investigate the reason and advise the licensee. The reasons for rejection are as follows:
 - Inactive/Expired Course
 - Licensee has taken the same CE course within the same CE compliance period
 - Course is pending and has not been ACTIVATED
- Providers are required to keep all documentation for five (5) years, instead of three (3) years.
 - Documents should include but are not limited to: CE rosters, registrations, CE certificate of completion.
- All providers will be subject to random audits by the Department of Insurance staff or vendor. Please make sure your business address on file with DOI is the location where documents are stored and maintained.

- Please remind licensees to verify their DOI number from our Web site to ensure they receive proper credit.
- Providers, please validate your data by re-checking the information prior to electronic submission. If you have social security numbers and want to enter them through eServices, they will be secure through that gateway.
- Providers can view a list of all licensees that received credit for completing a course on the Department of Insurance Web site.
 - Go to provider record, click on course name, and each licensee's name and completion date will be viewable.
- Providers can include their web address on the Department of Insurance Web site under provider information.
 - Send web address or update your current information by forwarding it to our CE Vendor Prometric.
 - Prometric's web address: <http://www.prometric.com/CE/kyceprov>

Finally, please be advised that there have been updates to DOI information. Our new web address is: <http://insurance.ky.gov> also our new email address is DOI.AgentLicensingMail@ky.gov

If you **do not** currently have an account, or wish to update your record, please email us at DOI.AgentLicensingMail@ky.gov the below information:

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| <p>Date: _____</p> <p>Provider Name: _____</p> <p>Provider Number: _____</p> <p>New Account: _____ Updated Account Information: _____</p> <p>Contact Name: _____</p> <p>Contact Email: _____</p> <p>Contact Telephone Number: _____</p> <p>Supervisor's Name _____</p> <p>Supervisor's Email: _____</p> <p>Supervisor Telephone: _____</p> |
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If you have any questions, please feel free to contact us at DOI.AgentLicensingMail@ky.gov or call 502-564-6004 and speak to Carlonia Stewart, or Santé Chambers.

Treva Wright-Donnell, Director
 Agent Licensing Division
 502-564-6004

CONTINUING EDUCATION REQUIREMENTS

KENTUCKY RESIDENT AGENTS

WITH A MAJOR LINES LICENSE

In order to receive important information from the Department of Insurance, please verify your resident address at the following link: <http://insurance.ky.gov/kentucky>. Click Online Services or the red eServices. We also ask that you verify your date of birth, business address, and Social Security number. This site is password protected and is accessible only to the licensee.

Who is Affected?

- All **individuals** licensed as resident agents by the Kentucky Department of Insurance for life, health, variable life and variable annuity, property, casualty and/or personal lines.
- Any newly licensed individual with a major lines license who has moved to or is licensed in Kentucky from another state as a resident or home state licensee. Even if a licensing exam is not required, the agent is subject to continuing education. **All newly licensed individuals who have held a license for one full year are subject to continuing education requirements.**
- Individuals holding a degree in insurance such as, Certified Life Underwriter degree (CLU), a Certified Property and Casualty Underwriter degree (CPCU) or a Certified Insurance Counselor designation (CIC) are subject to continuing education.

How Many Hours are Required?

- A **TOTAL** of **twenty-four (24) hours of approved continuing education must be completed during each continuing education biennium. A biennium begins on the first day of the month following your birth month and ends on the last day of your birth month two (2) years later (KRS 304.9-295).**
 - Of the 24 hours, at least **six (6) hours** of credit must be directly related to any line of authority for which the agent is actively licensed.
 - Of the 24 hours, at least **three (3) hours** of credit must be specifically approved as ethics. You may view a list of all approved ethics courses at the following address:
<http://insurance.ky.gov/kentucky/search/course/result.asp?CID=10&type=Ethics>
- All 24 hours of continuing education can either be classroom or correspondence. Any credit hours over 24 earned within a biennium can be carried over, up to 12 hours maximum.
 - **NOTE:** The 6-hour line of authority requirement and, the 3-hour Ethics requirement are all **part of** the twenty-four (24) hour requirement, and are **not** "in addition."
- Credit for an approved course may be earned only once within each biennial period.
- Instructors can earn credit for a course they teach, one time only, within a biennium.
- Courses completed in another state *may* be approved in Kentucky. The provider will be required to file the course with Kentucky using the NAIC Uniform Continuing Education Reciprocal Course approval application before credit can be granted.

When Does Your Biennium End?

If you are **licensed as a resident agent with a major line of authority, you must earn 24 hours of approved continuing education credit beginning the first day of the month following your birth month and ending the last day of your birth month two (2) years later, odd or even year, depending on the year you were born.** Example: If you were born in June of an odd year, your CE biennium would begin on July 1 (odd year) and your continuing education must be completed on or before June 30 of the next odd year. Proof of compliance with continuing education will be required in order to renew your license.

What Courses Qualify for Credit?

- Companies that you are appointed to represent may be approved to offer continuing education. Further, there are numerous independent providers of continuing education that are approved. You must contact the continuing education course provider to determine course dates, locations, fees and availability.
- Only courses that are prior approved by the executive director will satisfy the requirement. To view approved continuing education course providers, please visit the following address: <http://doi.ppr.ky.gov/kentucky/search/provider/>

How Many Credits Can You Get From One Source?

- Credit for an approved course can only be earned once every biennium.
- Any credit hours over 24 earned within a biennium can be carried over, up to 12 hours maximum.

How Do I Show Proof of Completing an Approved Course?

- **Self-study** course attendance certification must be filed by the **provider or agent** by sending the Department of Insurance the original Certificate of Completion (**Form CE-301**), within thirty (30) days after the exam is successfully completed, or filed electronically. Both must retain a copy in their file for at least 3 years.
- **Classroom** course attendance certification will be filed by the provider using a Course Roster (**Form CE-300**), completed or filed electronically, within 30 days of the course completion date. The roster must be:
 - Completed by the provider.
 - Signed by each agent completing the course (sign-in sheet attachments will be accepted).
 - Filed with the Department of Insurance by the provider within 30 days after the course is completed.

Additionally, for each agent attending a classroom course, the provider must complete the Continuing Education Certificate of Completion (Form CE-301). However, it does **not** need to be filed with the Department of Insurance.

- You will be given the original of Form CE-301 and you must keep this Form CE-301 for at least 3 years.

- The provider must keep a copy of your Form CE-301 for at least 3 years.
 - The Department of Insurance may request copies of Form CE-301 from either you or the provider.
- If you completed a classroom-style course and credit does not appear on your CE record within forty-five (45) days of the course completion date, you should forward the original CE-301 and keep a copy for your file.

What Happens If You Fail To Show Proof of Meeting Continuing Education Requirements?

- YOUR LICENSE SHALL **TERMINATE** by law, and you must promptly surrender your original license to the Department of Insurance without demand (KRS 304.9-295(9)) if:
 - You fail to complete your continuing education requirements on or before the last day of your birth month, odd or even year depending on birth year; or
 - Proof of completion for your required number of credit hours have NOT been filed with the Department of Insurance within 30 days following the last day of your birth month.
 - To assure you are properly credited for all of your continuing education courses, you should visit the Department of Insurance's Web site to verify that the correct course information is filed.

What Can You Do If Your License Terminates for Failure to Meet Continuing Education Requirements?

- You have thirty (30) days from the last day of your birth month (odd or even year) to provide proof of satisfying your continuing education requirement prior to the last day of your birth month, and renew your license without penalty.
- After the thirty- (30) day grace period, you will be given another thirty (30) days in which to provide proof of satisfying your continuing education requirement prior to the last day of your birth month, and renew your license **WITH A PENALTY FEE**.
- After the sixty- (60) day period has lapsed but within 12 months of the inactive date, your license may be reinstated, if you:
 - Satisfy your delinquent continuing education requirements;
 - File proof of completion of the required courses; and
 - Submit a new application for a license, including background check report, appointment forms for additional insurer appointments, and applicable fees for license and additional appointments.
- NOTE: If the continuing education delinquency remains unsatisfied and your license remains inactive for 12 months or longer, you must satisfy all of the licensing requirements specified in KRS Chapter 304 including pre-licensing training and passing any relevant examination(s).

Who is Exempt From Meeting Continuing Education Requirements?

- Adjusters
- Non-resident agents who received their license through reciprocity and who have met the continuing education requirements of their home state
- Limited lines licensees:
 - Limited Line Credit, Travel, Crop, Surety
- Agents who receive their license less than one full year before the end of their current continuing education biennium. (But, these agents are not exempt from the next biennium and thereafter.)
- Agents who have a waiver from continuing education requirements because they are keeping their license for the sole purpose of receiving renewals or deferred commissions and have filed a supporting **Affidavit For Exemption From Continuing Education (Form 304)** with the Department of Insurance. The affidavit can be downloaded from our Web site.
 - If you are not actively soliciting or writing insurance business and only want to keep your license to receive renewals or deferred commission, you must give the Department of Insurance a signed, notarized affidavit attesting that all commissions you receive are for renewal only. An agent falsifying this information will be subject to administrative penalties, revocation of licenses, or both. You cannot sell, solicit, or negotiate insurance while this waiver is in effect. New appointments will not be processed for any individual who has submitted the affidavit. You must maintain all other requirements for the license to remain active; otherwise, the affidavit will become inactive on the date the license becomes inactive.

How Do You Reactivate Your License After Filing An Affidavit?

You may withdraw the exemption from continuing education requirements and have all restrictions against selling, soliciting and negotiation insurance removed from your agent licensing by:

- Completing the continuing education requirements for the immediate preceding continuing education biennium;
- Providing a certification of completion of those continuing education requirements; and
- Providing a signed, written statement withdrawing the affidavit.

The law does not provide for the continuing education requirement to be waived under any circumstances with the reactivation of your agent license.