

1 **INSURANCE EXAM REQUIREMENTS**

2 1998 GENERAL SESSION

3 STATE OF UTAH

4 **Sponsor: Bryan D. Holladay**

5 AN ACT RELATING TO INSURANCE; AMENDING EDUCATION REQUIREMENTS; AND
6 MAKING TECHNICAL CORRECTIONS.

7 This act affects sections of Utah Code Annotated 1953 as follows:

8 AMENDS:

9 **31A-23-203**, as last amended by Chapter 9, Laws of Utah 1996, Second Special Session

10 **31A-23-206**, as last amended by Chapter 9, Laws of Utah 1996, Second Special Session

11 *Be it enacted by the Legislature of the state of Utah:*

12 Section 1. Section **31A-23-203** is amended to read:

13 **31A-23-203. General requirements for license issuance and renewal.**

14 The commissioner shall issue or renew a license to act as an agent, broker, or consultant
15 to any person who, as to the license classification applied for under Section 31A-23-204, has:

16 (1) satisfied the character requirements under Section 31A-23-205;

17 (2) satisfied any applicable [continuing] education requirements under Section
18 31A-23-206;

19 (3) satisfied any applicable examination requirements under Section 31A-23-207;

20 (4) satisfied any applicable training period requirements under Section 31A-23-208;

21 (5) if a nonresident, complied with Section 31A-23-209 and holds an active similar license
22 in that person's state of residence;

23 (6) as to applicants for licenses to act as title insurance agents, satisfied the requirements
24 of Section 31A-23-211; and

25 (7) paid the applicable fees under Section 31A-3-103.

26 Section 2. Section **31A-23-206** is amended to read:

27 **31A-23-206. Prelicense and continuing education requirements -- Regulatory**

1 **authority.**

2 (1) The commissioner shall by rule prescribe the educational prerequisites and continuing
3 education requirements for each class of agent's license under Subsection 31A-23-204(1), except
4 ~~[that no]~~ the commissioner may not impose educational prerequisites or continuing education
5 ~~[requirement may be imposed upon]~~ requirements on applicants for or holders of licenses under:

6 (a) Subsection 31A-23-204(2); or ~~[other]~~

7 (b) license classifications recognized by the commissioner by rule as provided in
8 Subsection 31A-23-204(6).

9 (2) Educational requirements prescribed under Subsection (1):

10 (a) may not be stated in terms of formal education~~[. These requirements]; and~~

11 (b) may be stated in terms of classroom hours, or their equivalent, of insurance-related
12 instruction received, for which insurance-related formal education may be a substitute, in whole
13 or in part.

14 (3) (a) No fewer than five and no more than 50 classroom hours, or their equivalent, of
15 instruction may be required as a prerequisite for any license class.

16 (b) No more than 12 classroom hours, or their equivalent, of continuing education may be
17 required for a two-year period regardless of the number of lines for which an agent or broker may
18 be licensed.

19 (c) Licensees who, as of April 1, 1990, have completed 20 years of licensure in good
20 standing shall be exempt from the requirement of continuing education.

21 ~~[(b)]~~ (d) (i) The rules shall provide for home study, video tapes, and experience credits in
22 addition to other provisions. ~~[However,]~~

23 (ii) Notwithstanding Subsection (3)(d)(i), not less than half of the required hours shall be
24 met through actual class attendance.

25 ~~[(c)]~~ (4) (a) The rules shall authorize professional agent associations to:

26 (i) offer qualified programs for all classes of licenses on a geographically accessible basis;
27 and ~~[to]~~

28 (ii) collect reasonable fees for funding and administration of the continuing education
29 program, subject to the review and approval of the commissioner.

30 (b) The fees charged to fund and administer the program shall reasonably relate to the
31 costs of administering the program.

1 (c) Nothing in this section prohibits a provider of continuing education programs or
2 courses from charging fees for attendance at courses offered for continuing education credit.

3 (d) The fees charged for attendance at a professional agent association program may be
4 less for an association member, based on the member's affiliation expense, but shall preserve the
5 right of a nonmember to attend without affiliation.

6 ~~[(4)]~~ (5) The commissioner shall designate courses, including those presented by insurers,
7 ~~[which]~~ that satisfy the requirements of this section.

8 ~~[(5)]~~ (6) The requirements of this section apply only to applicants who are natural persons.

9 ~~[(6)]~~ (7) The commissioner may waive the requirements of this section as to any person
10 who has been an active insurance agent or broker in another state for two years immediately prior
11 to applying for a license in this state, but only if the applicant's state of residence has imposed
12 upon the applicant education requirements ~~[which]~~ that are substantially as rigorous as those of
13 this state.

Legislative Review Note
as of 1-16-98 1:46 PM

A limited legal review of this bill raises no obvious constitutional or statutory concerns.

Office of Legislative Research and General Counsel