

1 **CONTINUING EDUCATION IN INSURANCE**

2 2006 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Thomas V. Hatch**

5 House Sponsor: LaVar Christensen

7 **LONG TITLE**

8 **General Description:**

9 This bill modifies the Insurance Code to address continuing education requirements.

10 **Highlighted Provisions:**

11 This bill:

- 12 ▶ provides that an attorney meeting requirements for the Utah State Bar meets the
- 13 continuing education requirements for certain title insurance licenses;
- 14 ▶ provides exemption from continuing education for title insurance producers who
- 15 have been licensed 20 or more consecutive years;
- 16 ▶ requires continuing education documentation to be retained for two years; and
- 17 ▶ makes technical changes.

18 **Monies Appropriated in this Bill:**

19 None

20 **Other Special Clauses:**

21 None

22 **Utah Code Sections Affected:**

23 AMENDS:

24 **31A-23a-202**, as last amended by Chapter 219, Laws of Utah 2005

25 **31A-26-206**, as last amended by Chapter 219, Laws of Utah 2005

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



28 Section 1. Section 31A-23a-202 is amended to read:

29 **31A-23a-202. Continuing education requirements -- Regulatory authority.**

30 (1) ~~[The]~~ Pursuant to this statute, the commissioner shall by rule prescribe the
31 continuing education requirements for a producer and a consultant.

32 (2) (a) The commissioner may not state a continuing education requirement in terms of
33 formal education.

34 (b) The commissioner may state a continuing education requirement in terms of
35 classroom hours, or their equivalent, of insurance-related instruction received.

36 (c) Insurance-related formal education may be a substitute, in whole or in part, for
37 classroom hours, or their equivalent, required under Subsection (2)(b).

38 (3) (a) The commissioner shall impose continuing education requirements in
39 accordance with a two-year licensing period in which the licensee meets the requirements of
40 this Subsection (3).

41 (b) (i) Except as provided in ~~[Subsection (3)(b)(iii)]~~ this section, the continuing
42 education requirements shall require:

43 (A) that a licensee complete 24 credit hours of continuing education for every two-year
44 licensing period;

45 (B) that three of the 24 credit hours described in Subsection (3)(b)(i)(A) be ethics
46 courses; and

47 (C) that the licensee complete at least half of the required hours through classroom
48 hours of insurance-related instruction.

49 (ii) The hours not completed through classroom hours in accordance with Subsection
50 (3)(b)(i)(C) may be obtained through:

51 (A) home study;

52 (B) video recording;

53 (C) experience credit; or

54 (D) other methods provided by rule.

55 (iii) (A) Notwithstanding Subsections (3)(b)(i)(A) and (B), a title insurance producer is
56 required to complete 12 credit hours of continuing education for every two-year licensing
57 period, with three of the credit hours being ethics courses.

58 (B) Notwithstanding Subsection (3)(b)(iii)(A), a title insurance producer is considered

59 to have met the continuing education requirements imposed under Subsection (3)(b)(iii)(A) if
60 the title insurance producer:

61 (I) is an active member in good standing with the Utah State Bar;

62 (II) is in compliance with the continuing education requirements of the Utah State Bar;

63 and

64 (III) if requested by the department, provides the department evidence that the title
65 insurance producer complied with the continuing education requirements of the Utah State Bar.

66 (c) A licensee may obtain continuing education hours at any time during the two-year
67 licensing period.

68 (d) (i) Beginning May 3, 1999, a licensee is exempt from continuing education
69 requirements under this section if:

70 (A) the licensee was first licensed before April 1, 1970;

71 (B) the licensee requests an exemption from the department; and

72 (C) the department approves the exemption.

73 (ii) If the department approves the exemption under Subsection (3)(d)(i), the licensee is
74 not required to apply again for the exemption.

75 (e) (i) Beginning May 1, 2006, a title insurance producer is exempt from the continuing
76 education requirements of this section beginning on the day on which the department approves
77 the exemption for meeting the requirements of this Subsection (3)(e).

78 (ii) The department shall exempt from the continuing education requirements of this
79 section a title insurance producer who:

80 (A) has been licensed in this state as a title insurance producer for 20 or more
81 consecutive years; and

82 (B) requests an exemption from the department under this Subsection (3)(e).

83 (iii) Once the department exempts a title insurance producer from the continuing
84 education requirements of this section, the title insurance producer is not required to apply
85 again for the exemption under this Subsection (3)(e).

86 [~~e~~] (f) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking
87 Act, the commissioner shall, by rule:

88 (i) publish a list of insurance professional designations whose continuing education
89 requirements can be used to meet the requirements for continuing education under Subsection

90 (3)(b); and

91 (ii) authorize continuing education providers and professional producer or consultant
92 associations to:

93 (A) offer qualified programs for all license types and lines of authority on a
94 geographically accessible basis; and

95 (B) collect reasonable fees for funding and administration of the continuing education
96 program, subject to the review and approval of the commissioner.

97 (iii) The fees permitted under Subsection (3)(~~e~~)(f)(ii)(B) that are charged for
98 attendance at a professional producer or consultant association program may be less for an
99 association member, based on the member's affiliation expense, but shall preserve the right of a
100 nonmember to attend without affiliation.

101 (4) The commissioner shall approve continuing education providers and continuing
102 education courses ~~[which]~~ that satisfy the requirements of this section.

103 (5) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
104 commissioner shall by rule set the processes and procedures for continuing education provider
105 registration and course approval.

106 (6) The requirements of this section apply only to producers or consultants who are
107 natural persons.

108 (7) A nonresident producer or consultant is considered to have satisfied this state's
109 continuing education requirements if the nonresident producer or consultant satisfies the
110 nonresident producer's or consultant's home state's continuing education requirements for a
111 licensed insurance producer or consultant.

112 (8) A producer or consultant subject to this section shall keep documentation of
113 completing the continuing education requirements of this section for two years after the end of
114 the two-year licensing period to which the continuing education applies.

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

116 **31A-26-206. Continuing education requirements.**

117 (1) ~~[The]~~ Pursuant to this section, the commissioner shall by rule prescribe continuing
118 education requirements for each class of license under Section 31A-26-204.

119 (2) (a) The commissioner shall impose continuing education requirements in
120 accordance with a two-year licensing period in which the licensee meets the requirements of

121 this Subsection (2).

122 (b) (i) Except as provided in Subsection (2)(b)(iii), the continuing education
123 requirements shall require:

124 (A) that a licensee complete 24 credit hours of continuing education for every two-year
125 licensing period;

126 (B) that three of the 24 credit hours described in Subsection (2)(b)(i)(A) be ethics
127 courses; and

128 (C) that the licensee complete at least half of the required hours through classroom
129 hours of insurance-related instruction.

130 (ii) The hours not completed through classroom hours in accordance with Subsection
131 (2)(b)(i)(C) may be obtained through:

132 (A) home study;

133 (B) video recording;

134 (C) experience credit; or

135 (D) other methods provided by rule.

136 (iii) Notwithstanding Subsections (2)(b)(i)(A) and (B), a title insurance adjuster is
137 required to complete 12 credit hours of continuing education for every two-year licensing
138 period, with three of the credit hours being ethics courses.

139 (c) A licensee may obtain continuing education hours at any time during the two-year
140 licensing period.

141 (d) (i) Beginning May 3, 1999, a licensee is exempt from the continuing education
142 requirements of this section if:

143 (A) the licensee was first licensed before April 1, 1970;

144 (B) the licensee requests an exemption from the department; and

145 (C) the department approves the exemption.

146 (ii) If the department approves the exemption under Subsection (2)(d)(i), the licensee is
147 not required to apply again for the exemption.

148 (e) In accordance with Title 63, Chapter 46a, Utah Administrative Rulemaking Act, the
149 commissioner shall by rule:

150 (i) publish a list of insurance professional designations whose continuing education
151 requirements can be used to meet the requirements for continuing education under Subsection

152 (2)(b); and

153 (ii) authorize professional adjuster associations to:

154 (A) offer qualified programs for all classes of licenses on a geographically accessible
155 basis; and

156 (B) collect reasonable fees for funding and administration of the continuing education
157 programs, subject to the review and approval of the commissioner.

158 (f) (i) The fees permitted under Subsection (2)(e)(ii)(B) that are charged to fund and
159 administer a program shall reasonably relate to the costs of administering the program.

160 (ii) Nothing in this section shall prohibit a provider of continuing education programs
161 or courses from charging fees for attendance at courses offered for continuing education credit.

162 (iii) The fees permitted under Subsection (2)(e)(ii)(B) that are charged for attendance
163 at an association program may be less for an association member, based on the member's
164 affiliation expense, but shall preserve the right of a nonmember to attend without affiliation.

165 (3) The requirements of this section apply only to licensees who are natural persons.

166 (4) The requirements of this section do not apply to members of the Utah State Bar.

167 (5) The commissioner shall designate courses that satisfy the requirements of this
168 section, including those presented by insurers.

169 (6) A nonresident adjuster is considered to have satisfied this state's continuing
170 education requirements if:

171 (a) the nonresident adjuster satisfies the nonresident producer's home state's continuing
172 education requirements for a licensed insurance adjuster; and

173 (b) on the same basis the nonresident adjuster's home state considers satisfaction of
174 Utah's continuing education requirements for a producer as satisfying the continuing education
175 requirements of the home state.

176 (7) A licensee subject to this section shall keep documentation of completing the
177 continuing education requirements of this section for two years after the end of the two-year
178 licensing period to which the continuing education requirement applies.

Legislative Review Note

as of 12-22-05 11:13 AM

Based on a limited legal review, this legislation has not been determined to have a high probability of being held unconstitutional.

Office of Legislative Research and General Counsel