

PROPOSED RULES

**NORTH DAKOTA ADMINISTRATIVE CODE
ARTICLE 45-02
REGULATION OF INSURANCE PRODUCERS, CONSULTANTS,
AND ADMINISTRATORS**

Section 45-02-03-04 – Application of Corporation, Association, Benefit Society is repealed:

45-02-03-04. Application of corporation, association, benefit society. ~~An application by a corporation, association, or benefit society must be accompanied by a certified copy of the articles of incorporation or association.~~ Repealed effective _____, 2012.

History: Effective September 1, 1983.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-27

Section 45-02-03-05 – Renewal Procedure is amended as follows:

45-02-03-06. Renewal procedure. The administrator is required to remit the renewal fee on or before ~~each annual anniversary date~~ April thirtieth of each year in order to maintain the certificate of authority. If such fee is not received in the prescribed time, the certificate of authority may be administratively terminated. The department will provide notice of the renewal of the certificate of authority or the termination of that certificate of authority. Certificates of authority issued after January first will not be required to renew until April thirtieth of the following calendar year.

History: Effective September 1, 1983; amended effective January 1, 2006; _____, 2012.

General Authority: NDCC 26.1-01-08

Law Implemented: NDCC 26.1-27

Section 45-02-04-03 – General Rules is amended as follows:

45-02-04-03. General rules.

1. **Course requirements.** The insurance continuing education course requirements include an educational presentation involving insurance fundamentals, policies, laws, risk management, or other courses which are offered in a process of instruction approved by the commissioner as expanding skills and developing knowledge to better serve the insurance buying public.
2. **Nonapproved courses.** The following course content will not qualify for insurance continuing education credit:
 - a. Prelicensure training.
 - b. Prospecting.
 - c. Recruiting.
 - d. Sales skills and promotions.
 - e. Motivation.
 - f. Psychology.
 - g. Communication skills.
 - h. Supportive office and machine skills.
 - i. Personnel management.

The above listing does not limit the commissioner's authority to disapprove any application which fails to meet the standards for course approval.

3. **Licensee responsibility.** Each licensee shall be responsible for maintaining original records of the licensee's insurance continuing education certificates of attendance for a period of one year from the last reporting deadline. Such records shall be made available to the commissioner upon request.
4. **Correspondence course credit.** Credit received by an insurance producer for a correspondence course must be based on successful completion of the course as prescribed by the provider and approved by the commissioner.

5. **Reciprocity.** The commissioner may approve credit for insurance-related courses approved by the North Dakota real estate commission and the North Dakota state bar association for insurance continuing education purposes.
6. **Credit hour.** A credit hour means sixty minutes of time, of which at least fifty minutes must be instruction, with a maximum of ten minutes break.
 - a. Credit hours for insurance continuing education will not be approved in increments of less than one-half hour.
 - b. Neither students nor instructors may earn credit for attending or instructing at any subsequent offering of an insurance continuing education course more than once during a reporting period.
7. **Course audit.** The commissioner or an authorized representative reserves the right to audit insurance continuing education offerings with or without notice to the provider.
8. **Class attendance.** No certificate of attendance will be issued to an insurance continuing education participant who is absent for more than ten percent of the classroom hours.
9. **Examinations.** Course examinations will not be required for insurance continuing education courses, unless required by the provider.
10. **Textbooks.** Textbooks are not required for insurance continuing education courses. All course materials must contain accurate and current information relating to the subject matter being taught.
11. **Approval of course offerings.** The commissioner requires providers of insurance continuing education courses to provide the following:
 - a. To the commissioner on a commissioner-approved form prior to course offerings:
 - (1) An application for course approval of an insurance continuing education course fifteen business days prior to course offering;
 - (2) A complete course outline designating individual topics and the amount of time devoted to each area being taught;
 - (3) An application for coordinator approval; and
 - (4) A fifty dollar per course filing fee;

- b. A class roster to the commissioner using a method prescribed by the commissioner fifteen days subsequent to completion of all insurance continuing education courses; and
- c. To course participants subsequent to course offerings provide a course attendance certificate (form SFN 10923) to all students successfully completing an approved insurance continuing education course.

Upon review by the commissioner, providers will receive a copy of the course application indicating approval or denial, credit hours assigned, and a course certification number. Course certification numbers must be used on all insurance continuing education certificates, correspondence, and advertisements.

- 12. **Provider management responsibility.** Providers of insurance continuing education courses are responsible for the actions of their respective instructors and coordinators.
- 13. **Course approval after the fact.** Credit may be granted for a course after the fact provided such courses are properly submitted and approved by the commissioner. Subsequent approval depends on course content and is not automatic or guaranteed.
- 14. **Advertising.** Courses may not be advertised in any manner unless approval has been granted, in writing, by the commissioner.
 - a. All advertising relating to approved course offerings shall contain the following statement: "This course has been approved by the insurance commissioner for (insert hours) of insurance continuing education credit."
 - b. Advertising must be truthful, clear, and not deceptive or misleading.
- 15. ~~**Approval of subsequent offerings.** After approval has been granted for the initial offering of a course, approval for subsequent offerings will be granted without the necessity of a new application if a notice of subsequent offering is filed with the commissioner at least fifteen days before the date the course is to be held.~~
- 16. **Fees.** Fees for courses must be reasonable and clearly identifiable to students. If a course is canceled for any reason, all fees must be returned within thirty days of cancellation.

17. 16. **Adequate facility.** Each course of study must be conducted in a classroom or other facility which will adequately and comfortably accommodate the faculty and the number of students enrolled. The provider may limit the number of students enrolled in a course.

History: Effective July 1, 1986; amended effective January 1, 2000; December 1, 2001; January 1, 2006; January 1, 2008; _____, 2012.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-49

Section 45-02-04-09.3 – Exemptions from Continuing Education for Limited Lines is created as follows:

45-02-04-09.3. Exemptions from continuing education for limited lines. An insurance producer licensed exclusively for the sale of title insurance, travel or baggage insurance, surety, bail bonds, legal expense insurance, or credit insurance is exempt from continuing education requirements.

History: Effective _____.

General Authority: NDCC 26.1-26-49

Law Implemented: NDCC 26.1-26-31.1(1)