

IMPORTANT CHANGES TO CONTINUING EDUCATION

On July 1, 2003, changes to the insurance law governing continuing education became effective. Two major items were affected by the change in law

- (1) Exemption from continuing education requirements, and
- (2) Required ethics education.

1. Exemption from continuing education—Effective July 1, 2003

This change states that any individual who is licensed as a producer on or after July 1, 2003, can never become exempt from continuing education requirements because of years of licensure and/or because they reach 60 years of age. The change in the law does not change the exemption provision for length of licensure and/or age limitation for those individuals who were licensed as a producer before to July 1, 2003.

2. Ethics Education—Effective January 1, 2004

While the law requiring ethics education became effective July 1, 2003, the Insurance Commissioner, Mike Pickens, realized the effective date would cause compliance problems for producers. Mr. Pickens issued a bulletin, which made the effective date of the ethics education requirement January 1, 2004. This delay would allow time for the general producer population to become aware of this requirement. It also gave the Department time to set up computer systems and review and approve ethics courses that satisfy the requirement.

Ethics education requires each individual to complete one (1) hour of ethics education annually unless they are presently exempt from continuing education requirements. (If you are presently exempt because you were exempt before July 1, 2003 or by limited line of authority [such as credit life, funeral expense, etc.], then this requirement does not apply to you). The ethics requirement does not mean the producer must take an additional hour of education, but requires that 1 of the producer's required annual continuing education hours must be an approved ethics education course. Ethics hours cannot be carried over from one renewal period to another.

Not all courses that have the word ethics in their name have been approved for ethics education. The Department notified all continuing education providers to submit a list of courses to be approved. You can obtain a list of approved ethics course by contacting Barbara Gordon at 501-371-2750 or e-mail at Barbara.Gordon@mail.state.ar.us and the list of approved ethics courses will soon be on our website.

Unless the continuing education requirement including the 1 hour of ethics education is met and filed prior to the renewal of a producer's license, **the license will not renew.** Until the requirement is met and filed, the producer will be subject to late renewal fees and fines. Many insurance companies are monitoring the expiration date of their producers and if the license is not renewed the insurance company will not pay commissions or accept new business from the producer.

If you have any questions regarding this matter, please contact the Arkansas Insurance Department License Division at 501-371-2750.