

Proposed Amended RULE 31

PRE-LICENSE EDUCATION FOR
INSURANCE PRODUCERS AND ADJUSTERS

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SECTION 1. PURPOSE

The purpose of this Rule ("Rule") is to implement Act 534 of 1983, as amended, and Ark. Code Ann. § 23-64-202(b)(2), as amended by Act ~~397-1948~~ of ~~2021~~2005, by establishing curricula for courses of instruction required to be completed by applicants seeking insurance producer and adjuster licenses in Arkansas, to establish criteria for approval of course providers of the courses of instruction, and to establish a mechanism of examination and review of the performance and quality of the instruction.

SECTION 2. AUTHORITY

This Rule is used pursuant to the authority vested in the Commissioner under Ark. Code Ann. Sections 23-61-108, § 23-74-609(a), § 23-75-102(5), § 23-76-120(a), §§ ~~25-15-202, et seq., and~~ Act 534 of 1983, as amended, and codified ~~as Sections §§ 23-64-201 & et seq., and §§ 23-64-501, et seq., and §§ 23-64-202(b)(2), as amended by 397-Act 1948 of 2021~~2005.

SECTION 3. APPLICABILITY AND SCOPE

I. Applicability.

- A. This Rule shall apply to insurance producers, including original license applicants or currently-licensed applicants seeking an additional line of authority, which for purposes of this Rule shall be deemed to include all who are referred to collectively as insurance producers (“producers”) under the Producer License Model Act (“PLMA”), Ark. Code Ann. § ~~23-64-501, et seq.~~
- B. This Rule shall also apply to:
1. all applicants seeking a license as an insurance ~~adjuster~~producer;
 2. all applicants seeking a license as a health maintenance organization (“HMO”) producer, or as a producer for a limited benefit health maintenance organization, except those specifically exempted pursuant to the provisions of Arkansas law. This Rule is intended to complement the provisions of Rule 35, “Agent License for Health Maintenance Organizations”, but is not intended to supersede it;
 3. all applicants seeking a license as a fraternal benefit society producer, except those specifically exempted pursuant to the provisions of Arkansas law;
 4. all applicants seeking a license as a producer for a hospital or medical service corporation; and
 5. all applicants who are producers or adjusters from another state, and who are not licensed as a producer or adjuster under the Producer License Model Act, shall be required to comply with this Rule in order to secure any new resident or non-resident producer or adjuster license.

II. Exemptions. The following are exempt from this Rule:

H.

- ~~A.~~ ~~insurance adjusters, pursuant to Ark. Code Ann. §23-64-202(b)(2)(A)(iii)(d);~~
- ~~B.~~ ~~limited adjusters, pursuant to Ark. Code Ann. §23-64-202(b)(2)(A)(iii)(d);~~
- ~~C.~~~~A.~~ ~~insurance consultants, pursuant to Ark. Code Ann. §23-64-202(b)(2)(A)(iii)(d);~~
- ~~D.~~~~B.~~ ~~surplus line brokers licensed pursuant to Ark. Code Ann. §§ 23-65-301, et seq., and Department Rule 24, and exempted pursuant to Ark. Code Ann. §23-64-501(c); and~~
- C. applicants licensed as a producer or adjuster in good standing in another state under the Producer License Model Act, who thereafter move to Arkansas, who establish residency within the period required under Arkansas law, and who thereafter apply for a resident producer or adjuster license.
- D. applicants for an adjuster license holding a current certification issued by a national or state claims association that is a continuing education provider approved by the Commissioner.

SECTION 4. EFFECTIVE DATE

This Rule shall be effective January 1, 2022. ~~January 1, 2016.~~

SECTION 5. COURSE REQUIREMENTS

- I. A. All applicants for an Arkansas life line of authority are hereby required to complete a course of instruction with a minimum of twenty (20) hours of instruction which includes, but is not limited to, all of the following, as applicable:

1.	Introduction to Insurance	1 hour
2.	State Insurance Laws and Rules	5 hours
3.	Life Insurance Basics	5 hours
4.	Life Insurance Policies, Policy Options, and Policy Provisions	5 hours
5.	Annuity Contracts	3 hours
6.	Ethics	1 hour

- B. All applicants for an Arkansas accident, and health, and or sickness (A & H) line of authority are hereby required to complete a course of instruction with a minimum of twenty (20) hours of instruction which includes, but is not limited to, all of the following, as applicable:

1.	Introduction to Insurance	1 hour
2.	State Insurance Laws and Rules	5 hours
3.	Health Insurance Policy provisions	3 hours
4.	Disability Income Insurance	2 hours
5.	Medical Expense Insurance	1 hour
6.	Medicare Supplement Insurance	1 hour
7.	Long Term Care	2 hours
8.	Social Security and Medicare	2 hours
9.	Group Insurance	1 hour
10.	Health Maintenance Organizations	1 hour
11.	Ethics	1 hour

- C. All applicants for a casualty line of authority are hereby required to complete a course of instruction with a minimum of twenty (20) hours of instruction which includes, but is not limited to, all of the following:

1.	Introduction to Insurance	1 hour
2.	State Insurance Laws and Rules	5 hours
3.	Ocean (Wet Marine) and Inland Marine Insurance	1 hour
4.	General Liability Insurance	2 hours
5.	Automobile Insurance and Assigned Risk Plans, including Personal (“AIPSO”) and Commercial (“CAIP”)	5 hours
6.	Workers' Compensation and Assigned Risk Plan	3 hours
7.	Commercial Crime Insurance and Fidelity Bonds	1 hour
8.	Surety Bonds	1 hour
9.	Ethics	1 hour

D. D.—All applicants for a property line of authority are hereby required to complete a course of instruction with a minimum of twenty (20) hours of instruction which includes, but is not limited to, all of the following:

1.	Introduction to Insurance	1 hour
2.	State Insurance Laws and Rules	5 hours
3.	Fire and Allied Lines; and Assigned Risk Plans (“ARRUA”) and Arkansas Earthquake Authority (“AEA”)	4 hours
4.	Homeowners Policies and Other -Multiple-Line Products	5 hours
5.	National Flood Insurance-Federal	0.5 hour
6.	Commercial Property and Commercial Crime Insurance	3 hours
7.	Crop Insurance - FEDERAL (“FCIC”)	0.5 hour
8.	Ethics	1 hour

E. All applicants for a personal line of authority (non-commercial), called “Personal Lines”, are hereby required to complete a course of instruction with a minimum of twenty (20) hours of instruction which includes, but is not limited to, all of the following:

1.	Introduction to Insurance	1 hour
2.	State Insurance Laws and Rules	5 hours
3.	Fire and Allied Lines; including Manufactured Houses; and Assigned Risk Plans (“ARRUA”) and Arkansas Earthquake Authority (“AEA”)	2 hours
4.	Homeowners Policies and Other Multiple-Line Products and Assigned Risk Plans (“ARRUA”) and Arkansas Earthquake Authority (“AEA”);	5 hours
5.	Automobile Insurance and Assigned Risk Plans	5 hours
6.	Flood Insurance – Federal	1 hour
7.	Ethics	1 hour 1 hour

F. All applicants for a property adjuster license are hereby required to -complete a course of instruction with a minimum of twenty (20) hours of instruction which includes, but is not limited to, all of the following:

1.	<u>Insurance Concepts, Risk, Insurable Interest, Loss Valuation, Market Value, Stated Value, Salvage Value, Deductible, Occurrence, Negligence, Comparative Fault</u>	<u>3 hours</u>
2.	<u>General Adjusting Definitions, Policies, Binders, Subrogation, Value, Appraisal, Duties of the Insured after a Loss, 1st Party Claimants, 3rd Party Claimants</u>	<u>2.5 hours</u>
3.	<u>General Property Definitions, Policies, Concurrent Insurance, Actual Cash Value, Replacement Cost, Causation, Proof of Loss</u>	<u>2.5 hours</u>
4.	<u>General Adjusting Practices, Liability, Representation, Investigation, Duties of the Insurance Company</u>	<u>2 hours</u>
5.	<u>Arkansas Property Adjusting, Loss Settlement, Total/Partial Loss, Coinsurance</u>	<u>2 hours</u>
6.	<u>State Insurance Law and Rules</u>	<u>5 hours</u>
7.	<u>Unfair Claims Settlement Practices, Unfair Trade Practices</u>	<u>2 hours</u>

8.	Ethics	1 hour
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G. G.—All applicants for a casualty adjuster license are hereby required to complete a course of instruction with a minimum of twenty (20) hours of instruction which includes, but is not limited to, all of the following:

1.	Insurance Concepts, Risk, Insurable Interest, Loss Valuation, Market Value, Stated Value, Salvage Value, Deductible, Occurrence, Negligence, Comparative Fault	3 hours
2.	General Adjusting Definitions, Policies, Binders, Subrogation, Value, Appraisal, Duties of the Insured after a Loss, Proof of Loss, 1 st Party Claimants, 3 rd Party Claimants	3 hours
3.	General Property Definitions, Policies, Concurrent Insurance, Actual Cash Value, Replacement Cost, Causation	2 hours
4.	General Adjusting Practices, Liability, Representation, Investigation, Duties of the Insurance Company	2 hours
5.	Arkansas Property Adjusting, Loss Settlement, Total/Partial Loss, Coinsurance	2 hours
6.	State Insurance Laws and Rules	5 hours
7.	Unfair Claims Settlement Practices, Unfair Trade Practices	2 hours
8.	Ethics	1 hour

H. H.—All applicants for a worker’s compensation insurance adjuster license are hereby required to complete a course of instruction with a minimum of twenty (20) hours of instruction which includes, but is not limited to, all of the following:

1.	Insurance Concepts, Risk, Insurable Interest, Loss Valuation, Market Value, Stated Value, Salvage Value, Deductible, Occurrence, Negligence, Comparative Fault	2 hours
2.	General Adjusting Definitions, Policies, Binders, Subrogation, Duties of the Insured after a Loss, Proof of Loss.	2 hours
3.	General Worker’s Compensation Definitions, Causation, Bodily Injury, Prior Injury, Statements, Burden of Proof, Waivers, Employee, Employer, Independent Contractor, Certificate of Non-Insurance, Waiting Period	2 hours
4.	General Adjusting Practices, Liability, Covered Claim, Representation, Investigation, Duties of the Insurance Company	3 hours
5.	Arkansas Worker’s Compensation Adjusting, Arkansas Worker’s Compensation Commission, Wage Determinations, Hearing, Medical Examinations, Settlements and Awards	3 hours
6.	State Insurance Laws and Rule	5 hours
7.	Unfair Claims Settlement Practices, Unfair Trade Practices	2 hours
8.	Ethics	1 hour

II. EXCEPTIONS.

H.

A. ~~_____ A. _____~~ Notwithstanding the provisions of Subsection (I) above, an applicant for a new license or additional line of authority shall be exempt from the five (5) hours of State Insurance Laws and Rules portion for:

1. Life
2. Accident/Health/Sickness
3. Casualty
4. Property
5. Personal Lines (non-commercial)
6. Property Adjuster
7. Casualty Adjuster
- 5-8. Worker's Compensation Adjuster

~~i~~if the applicant has successfully completed this portion of the pre-license education within two (2) years of the filing date of his application for a new license or additional line of authority. This exemption or waiver is provided by Ark. Code Ann. § 23-64-202, ~~as amended by Act 1948 of 2005.~~

B.

~~_____ B. _____~~ Notwithstanding the provisions of Subsection (I) above, an applicant for a new license or additional line of authority shall be exempt from the one (1) hour of Ethics course for:

1. Life
2. Accident/Health/Sickness
3. Casualty
4. Property
5. Personal Lines (non-commercial)
6. Property Adjuster
7. Casualty Adjuster
8. Worker's Compensation Adjuster
- 5.

~~i~~if the applicant has successfully completed this portion of the pre-license education within two (2) years of the filing date of his/her application for a new ~~license or license or~~ additional line of authority.

III.

A. Subsections I and II of Rule Section 5 apply to both classroom and/or electronic ~~_~~courses of study.

~~B.~~ Education course providers shall file procedures with the Department to illustrate how the electronic courses may be verified as ~~self-study, and self-study and~~ shall detail the exact length of time that the license applicant spends on the course.

B.

C. For classroom courses, the identity of the applicant and the length of time spent in that course must be monitored by the ~~i~~instructor in the classroom.

SECTION 6. INSTRUCTOR AND ELECTRONIC EDUCATION INSTRUCTOR/PROCTOR QUALIFICATIONS

- A.
 - 1. Instructors must have had specific insurance training or educational experience satisfactory to and approved by the State Insurance Commissioner in order to be certified to teach any part of an approved course. Each instructor must have three (3) or more years of specific insurance experience and/or education in each part of the insurance training program in which he/she instructs and must be approved prior to teaching any course, or any part of a course, by the Insurance Commissioner.
 - 2. Individuals who will act as an electronic education instructor/proctor of electronic education courses must have the same credentials as a classroom instructor as provided by this Rule.
 - 3. Proctors or instructors must be a disinterested third party and shall not serve for examinations of: -family members or relatives or dependents, employers or supervisors, employees or subordinates, partners or joint ventures or co-owners, current or former teachers or pupils, neighbors or personal friends or significant others, or for anyone in whom the proctor or instructor has an economic or other interest in assuring the successful outcome of the examination.
 - 4. Applicants for approval as a classroom instructor, or electronics course instructor/proctor shall complete and submit Appendix 4 to the Arkansas Insurance Department.
- B. No person will be approved as an instructor/proctor who has received disciplinary action by the Arkansas Insurance Department, the Insurance Department of another state, ~~or~~ any regulatory or governmental body, or state or federal court. The Commissioner shall have the authority to waive this requirement upon written request by the applicant. The applicant shall have the burden of proving his or her qualifications to the Commissioner to meet eligibility for serving as an instructor or proctor.
- C. This Rule prohibits the provider's officials, owners, instructors, or proctors from taking the licensing exam for the purpose of learning test questions in order to aid the provider's customers ~~or and/or~~ to improve a provider's pass-fail rate. Any such entity or person discovered to have done this will lose Department approval to participate in the pre-licensure education program under this Rule, in addition to any other applicable penalties. An individual who acts as a proctor may take the exam to obtain an individual producer's license for their ~~his/her~~ own benefit.
- ~~D.~~ This Rule authorizes the Department to compare the end-of-course examinations with Department examination results at any time, without prior notice to the course provider, its owners or managers, instructors, or proctors.

D.

SECTION 7. COURSE PROVIDER REQUIREMENTS

- A. Application for approval as a course provider shall be submitted to the Arkansas Insurance Department not less than ninety (90) days prior to the expected use of the program. A course provider shall include the following information ~~in duplicate~~:
 - 1. Detailed description of the classroom or electronic course instruction program, including a course outline and list of resource materials.
 - 2. Completion of Appendix 1 for the initial certification; or completion of Appendix 2 upon any change in curriculum or instructor.
 - 3. Schedule of classes for all locations.
 - 4. All materials used for electronic education courses must be made available online to the Arkansas Insurance Department.
- B. Changes in class schedules are to be filed with the Insurance Department not later than two (2) weeks before each class begins. Course providers may file in writing or electronically a change or addition to the class schedule with the Department one (1) week in advance for a single course scheduled for an individual.
- C. The Commissioner may consider the type of facility to be used for training, the sufficiency of teaching aids, and the exclusive use of that portion of the facility being used for training, in making a determination to certify the provider.
- D. The course provider shall maintain detailed attendance records for all applicants for all classes for three (3) years following completion of the classes. ~~Rosters,~~ including Rosters, including courses completed and completion dates, shall be maintained for a minimum of two (2) years by course providers. These records may be reviewed by the Commissioner. In this regard, any studying which is not conducted under the direct supervision of the classroom instructor at the facility during scheduled classes may not be credited toward completion of the required twenty (20) hours; and electronic course providers must verify and confirm to the Department the work done by electronics course students for proper crediting of electronic hours.
- E. Forms. The following forms are ~~prescribed by the Commissioner and are attached as exhibits to this Rule. All forms are available upon request to the Department, or via the Department's web-site at <http://www.insurance.arkansas.gov/license/divpage.htm>. <https://insurance.arkansas.gov/pages/industry-regulation/licensing/forms-instructions/> or by contacting the Licensing Division at 501-371-2750.~~

Appendix 1	Application for Approval As Course Provider
Appendix 2	Change in Curriculum or Instructor or Proctor
Appendix 3(A)	Life
Appendix 3(B)	Accident, and Health, and or Sickness
Appendix 3(C)	Casualty
Appendix 3(D)	Property
Appendix 3(E)	Personal Lines (Non-Commercial)
<u>Appendix 3(F)</u>	<u>Property Adjuster</u>

Appendix 3(G)	Casualty Adjuster
Appendix 3(H)	Worker's Compensation Adjuster
Appendix 4	Application for Approval as Instructor or Proctor

- F. Alternate Forms. The Commissioner may accept, in lieu of Appendices 1 – 4 to the Rule in Item (E) above the most recent editions of comparable forms published by the National Association of Insurance Commissioners or substantially similar forms as approved by the Commissioner.

SECTION 8. PROGRAM REVIEW

The Department shall have the authority to visit a training facility and review its program at any time, including, but not limited to curriculum records and attendance records.

SECTION 9. LICENSING PROCEDURE OF APPLICANT

- A. The required hours of instruction must be completed prior to the date of the licensing examination.
- B. The instructor or designated official of the course provider shall complete an original and one (1) copy of each individual certification, Appendices 3(A) – 3(~~HE~~), as found on the Department's website, <https://insurance.arkansas.gov/pages/industry-regulation/licensing/forms-instructions/>, to give to the course attendee or applicant. The Certificate must include the type and length of study (either by live classroom instruction ~~and/or~~ by electronic media) selected by the course provider.
- C. Each individual certification must be on the form as shown in Appendices 3(A) – 3(~~EH~~), as found on the Department's website, <https://insurance.arkansas.gov/pages/industry-regulation/licensing/forms-instructions/> and must be signed by the applicant and the instructor or designated official of the course provider where more than one instructor is used. An electronic signature may be used.

The individual original certification or electronic copy must be presented by the student to the exam vendor at the time the candidate is scheduled to sit for the exam. If the candidate fails to present the original or electronic copy certification to the exam vendor, the candidate will not be allowed to sit for the exam but must reschedule the exam for another time. The exam vendor will collect all valid certifications and file those with the Department by mail or electronically along with the applications, fees, or other necessary documents.

SECTION 10. COMPLETION OF COURSE REQUIREMENTS

Educational requirements must be completed no more than two (2) years prior to taking the license exam for course certification to be valid.

SECTION 11. VIOLATIONS

Department approval of instructors and course providers of instruction courses may be withdrawn for violations of this Rule.

SECTION 12. SEVERABILITY

Any section or provision of this Rule held by a court to be invalid or unconstitutional will not affect the validity of any other section or provision of this Rule.

~~ALAN MCCLAIN ALLEN KERR~~

INSURANCE COMMISSIONER

DATE

**APPENDIX 1
APPLICATION FOR APPROVAL AS COURSE PROVIDER
FOR USE WITH RULE 31**

TO: _____ Arkansas Insurance Department
 _____ Licensing Division
 _____ 1200 West Third
 _____ Little Rock, AR 72201-1904

Name of Training Facility: _____
Name of Pre-licensing Course Provider: _____
Provider Number: _____
Address: _____
Name of contact person: _____
Telephone Number: _____
E-mail address: _____

Course of Study	Check all that Apply	Type of Study: Classroom, Electronic Or Combination
Life		
Accident, Health and Sickness		
Casualty		
Property		
Personal Lines		

Location and Street Address Where Course will be Held

 Street Address _____ City _____ State _____ Zip _____

ATTACH FOLLOWING DOCUMENTS	
1.	Course Outline
2.	List of Resource Materials
3.	Names of Instructors and Qualifications with a completed Form Appendix 4 for each instructor/proctor
4.	Schedule of Classes pursuant to Rule Section 7
5.	Name of Instructor(s) serving as Designated Official(s) of the Provider

 Typed Name of Pre-licensing Education Course Provider Official

 Signature of Pre-licensing Education Course Provider Official

 (Date)

FOR DEPARTMENT USE ONLY	
APPROVED BY:	DATE:
DISAPPROVED BY:	DATE:

**APPENDIX 2
CHANGE IN CURRICULUM OR INSTRUCTOR OR PROCTOR
FOR USE WITH RULE 31**

To: _____ Arkansas Insurance Department
 _____ Licensing Division
 _____ 1200 West Third
 _____ Little Rock, AR 72201-1904

Name: _____
Name of Pre-licensing Education Course Provider: _____
Provider Number: _____
Course Number: _____
Name of contact person: _____
Telephone Number: _____
Address: _____
Email Address: _____
Facility or Course Provider Website: _____

The following changes have been made in our Course Curriculum and/or Instructors/Proctors:

ATTACH THE APPLICABLE CHANGES	
1.	Course Outline and Type of Study (Classroom or Electronic)
2.	List of Resource Materials
3.	Names of Instructors/Proctors and Qualifications
4.	Names of instructors serving as Designated Officials of Provider
5.	Names of proctors serving for electronic courses; disclose if you are serving as a Designated Official of the Provider

 Typed Name of Pre-licensing Education Course Provider Official

 Signature of Pre-licensing Education Course Provider Official

 Date

FOR DEPARTMENT USE ONLY	
APPROVED BY: _____	DATE: _____

DISAPPROVED BY:	DATE:

APPENDIX 3(A)
LIFE
FOR USE WITH RULE 31

To: Arkansas Insurance Department
License Division
1200 West Third
Little Rock, AR 72201-1904

This is to certify that the following applicant has satisfactorily completed twenty (20) hours of instruction in the area of **Life**.

Applicant Name: _____
Residence Address: _____
Social Security No. & License No: _____
Date of Birth: _____
Name of Approved Training Facility/Electronic Facility: _____
Date of Course Completion: _____

Study Method of Course Completion (in classroom or electronic media or both). Classes were conducted on the following dates covering the following subject areas:

Subject Area	Date	No. of Hrs Completed	No. Hrs Classroom ("C"); Electronic ("E") or Both ("B")
Introduction to Insurance (1 hr)			
State Insurance Laws and Rules (5 hrs)			
Life Insurance Basics (5 hrs)			
Life Insurance Policies, Policy Options, and Policy Provisions (5 hrs)			
Annuity Contracts (3 hrs)			
Ethics (1 hr)			
TOTAL NUMBER OF HRS COMPLETED			

For those applicants seeking an exemption from the five (5) hours on State Insurance Laws and Rules, please initial here: _____. Applicant certifies that the portion of study on State Insurance Laws and Rules for a total of five (5) hours was completed on _____, and is therefore not required to be completed in this certification.

_____ (course date)

We acknowledge that falsifying this statement will result in disciplinary action taken against us by the Arkansas Insurance Department.

(Typed Name of Applicant) _____ (Typed Name of Instructor/Proctor)

(Signature of Applicant) _____ (Signature of Instructor/Proctor)

(Provider Name) _____ (Provider Number)

(Date Signed)

(Date Signed)

**APPENDIX 3(B)
ACCIDENT, HEALTH, AND SICKNESS
FOR USE WITH RULE 31**

To: ~~Arkansas Insurance Department
License Division
1200 West Third
Little Rock, AR 72201-1904~~

This is to certify that the following applicant has satisfactorily completed twenty (20) hours of instruction in the area of **Accident, Health, and Sickness**.

Applicant Name: _____
Residence Address: _____
Social Security No. & License No.: _____
Date of Birth: _____
Name of Approved Training Facility/Electronic Facility: _____
Date of Course Completion: _____

~~Study Method of Course Completion (in classroom or electronic media or both). Classes were conducted on the following dates covering the following subject areas:~~

Subject Area	Date	No. of Hrs Completed	No. Hrs Classroom ("C"); Electronic ("E") or Both ("B")
Introduction to Insurance (1 hr)			
State Insurance Laws and Rules (5 hrs)			
Health Insurance Policy Provisions (3 hrs)			
Disability Income Insurance (2 hrs)			
Medical Expense Insurance (1 hr)			
Medicare Supplement Insurance (1 hr)			
Long Term Care (2 hrs)			
Social Security and Medicare (2 hrs)			
Group Insurance (1 hr)			
Health Maintenance Organizations (1 hr)			
Ethics (1 hr)			
TOTAL NUMBER OF HRS COMPLETED			

~~For those applicants seeking an exemption from the five (5) hours on State Insurance Laws and Rules, please initial here: _____. Applicant certifies that the portion of study on State Insurance Laws and Rules for a total of five (5) hours was completed on _____, and is therefore not required to be completed in this certification.~~

~~_____ (course date)~~

~~We acknowledge that falsifying this statement will result in disciplinary action taken against us by the Arkansas Insurance Department.~~

(Typed Name of Applicant) _____ (Typed Name of Instructor/Proctor)

(Signature of Applicant)

(Signature of Instructor/Proctor)

(Provider Name)

(Provider Number)

(Date Signed)

(Date Signed)

**APPENDIX 3(C)
CASUALTY
FOR USE WITH RULE 31**

To: _____ Arkansas Insurance Department
License Division
1200 West Third
Little Rock, AR 72201-1904

This is to certify that the following applicant has satisfactorily completed twenty (20) hours of instruction in the area of **Casualty**.

Applicant Name: _____
Residence Address: _____
Social Security No. & License No.: _____
Date of Birth: _____
Name of Approved Training Facility/Electronic Facility: _____
Date of Course Completion: _____

Study Method of Course Completion (in classroom or electronic media or both). Classes were conducted on the following dates covering the following subject areas:

Subject Area	Date	No. of Hrs Completed	No. Hrs Classroom ("C"); Electronic ("E") or Both ("B")
Introduction to Insurance (1 hr)			
State Insurance Laws and Rules (5 hrs)			
Ocean [Wet Marine] and Inland Marine Insurance (1 hr)			
General Liability Insurance (2 hrs)			
Automobile Insurance and Assigned Risk Plans, including Personal ("AIPSO) and Commercial ("CAIP") (5 hrs)			
Workers' Compensation and Assigned Risk Plan (3 hrs)			
Commercial Crime Insurance and Fidelity Bonds (1 hr)			
Surety Bonds (1 hr)			
Ethics (1 hr)			
TOTAL NUMBER OF HRS COMPLETED			

For those applicants seeking an exemption from the five (5) hours on State Insurance Laws and Rules, please initial here: _____. Applicant certifies that the portion of study on State Insurance Laws and Rules for a total of five (5) hours was completed on _____, and is therefore not required to be completed in this certification.

_____ (course date)

We acknowledge that falsifying this statement will result in disciplinary action taken against us by the Arkansas Insurance Department.

(Typed Name of Applicant)

(Typed Name of Instructor/Proctor)

(Signature of Applicant)

(Signature of Instructor/Proctor)

(Provider Name)

(Provider Number)

(Date Signed)

(Date Signed)

**APPENDIX 3(D)
PROPERTY
FOR USE WITH RULE 31**

To: Arkansas Insurance Department
License Division
1200 West Third
Little Rock, AR 72201-1904

This is to certify that the following applicant has satisfactorily completed twenty (20) hours of instruction in the area of **Property**.

Applicant Name: _____
Residence Address: _____
Social Security No. & License No.: _____
Date of Birth: _____
Name of Approved Training Facility/Electronic Facility: _____
Date of Course Completion: _____

Study Method of Course Completion (in classroom or electronic media or both). Classes were conducted on the following dates covering the following subject areas:

Subject Area	Date	No. of Hrs Completed	No. Hrs Classroom("C"), Electronic("E") or Both("B")
Introduction to Insurance (1 hr)			
State Insurance Laws and Rules (5 hrs)			
Fire and Allied Lines; and Assigned Risk Plans ("ARRUA") and Arkansas Earthquake Authority ("AEA") (4 hrs)			
Homeowners Policies and other Multi-Line Products (5 hrs)			
National Flood Insurance - Federal (0.5 hr)			
Commercial Property and Commercial Crime Insurance (3 hrs)			
Crop Insurance - Federal ("FCIC") (0.5 hr)			
Ethics (1 hr)			
TOTAL NUMBER OF HOURS COMPLETED			

For those applicants seeking an exemption from the five (5) hours on State Insurance Laws and Rules, please initial here: _____. Applicant certifies that the portion of study on State Insurance Laws and Rules for a total of five (5) hours was completed on _____, and is therefore not required to be completed in this certification.

_____ (course date)

We acknowledge that falsifying this statement will result in disciplinary action taken against us by the Arkansas Insurance Department.

 (Typed Name of Applicant) _____ (Typed Name of Instructor/Proctor)

(Signature of Applicant)

(Signature of Instructor/Proctor)

(Provider Name)

(Provider Number)

(Date Signed)

(Date Signed)

**APPENDIX 3(E)
PERSONAL LINES (NON-COMMERCIAL)
FOR USE WITH RULE 31**

To: Arkansas Insurance Department
License Division
1200 West Third
Little Rock, AR 72201-1904

This is to certify that the following applicant has satisfactorily completed twenty (20) hours of instruction in the area limited to **Personal Lines (non-commercial) only**:

Applicant Name: _____
Residence Address: _____
Social Security No. & License No.: _____
Date of Birth: _____
Name of Approved Training Facility/Electronic Facility: _____
Date of Course Completion: _____

Study Method of Course Completion (in classroom or electronic media or both). Classes were conducted on the following dates covering the following subject areas:

Subject Area	Date	No. of Hrs Completed	No. Hrs Classroom("C"); Electronic("E") or Both("B")
Introduction to Insurance (1 hr)			
State Insurance Law & Rules (5 hours)			
Fire and Allied Lines, including Manufactured Houses; and Assigned Risk Plans ("ARRUA") and Arkansas Earthquake Authority ("AEA") (2 hours)			
Homeowners Policies and other Multiple Lines Products; and Assigned Risk Plans ("ARRUA") and Arkansas Earthquake Authority ("AEA") (5 hours)			
Automobile Insurance and Assigned Risk Plans (5 hours)			
Flood Insurance — Federal (1 hour)			
Ethics (1 hr)			
TOTAL NUMBER OF HOURS COMPLETED			

For those applicants seeking an exemption from the five (5) hours on State Insurance Laws and Rules, please initial here: _____. Applicant certifies that the portion of study on State Insurance Laws and Rules for a total of five (5) hours was completed on _____, and is therefore not required to be completed in this certification.

_____ (course date)

We acknowledge that falsifying this statement will result in disciplinary action taken against us by the Arkansas Insurance Department.

(Typed Name of Applicant) _____ (Typed Name of Instructor/Proctor)

(Signature of Applicant) _____ (Signature of Instructor/Proctor)

(Provider Name) _____ (Provider Number)

(Date Signed) _____ (Date Signed)

**APPENDIX 4
APPLICATION FOR APPROVAL AS INSTRUCTOR OR PROCTOR
FOR USE WITH RULE 31**

To: Arkansas Insurance Department
Licensing Division
1200 West Third
Little Rock, AR 72201-1904

1) Name: _____ License Type: _____

—Address: _____

—Electronic Mail Address: _____

—Phone: Office () _____ Home () _____

2) Name and Address of Current Employer _____ : _____

3) Name of Sponsoring Training Facility/Electronic Course Provider: _____

—Provider Name: _____ Provider Number: _____

—Address: _____

—Electronic Mail Address: _____

4) Please list all resident and non-resident insurance licenses you currently hold as producer, consultant, adjuster, limited adjuster, managing general agent, etc.: _____

5) Please summarize your insurance experience and training, totaling three (3) years. (Attach additional sheets, if necessary): _____

6) Please summarize your insurance education, including, but not limited to college/university insurance course(s) hours; insurance seminars and training course(s); number of hours completed toward certifications such as CLU, CPCU, FLMI, LOMA, ChFC, CIC, ARM, RHU, CRM, and LUTCF, etc. (Attach additional sheets, as necessary):

[Note: As specific training on insurance is a prerequisite, please do not include general education hours or degrees, such as BA or MBA Degrees in Business, Marketing, etc.]

7) Courses of study at Training Facility for which you propose to serve as Instructor or Proctor or both: _____

ATTACH FOLLOWING DOCUMENTS

a	Resume if any
b	Appendix 2 completed by Training Facility Official
e	As to non-resident applicants only, please attach written verification from your domiciliary state insurance department confirming that you have held an insurance license(s) for a minimum of three (3) years, and that your license(s) has not ever been suspended or revoked, fined or otherwise sanctioned.

State of Arkansas

County of: _____

Name of Applicant

Subscribed to and sworn or affirmed before me this _____ day of _____, 20_____

Notary Public (Notary Seal)

My Commission expires: _____

FOR DEPARTMENT USE ONLY	
APPROVED BY:	DATE:
DISAPPROVED BY:	DATE:

1 State of Arkansas
2 93rd General Assembly
3 Regular Session, 2021
4

As Engrossed: S3/10/21

A Bill

HOUSE BILL 1239

5 By: Representative Lowery
6 By: Senators M. Pitsch, J. Hendren
7

For An Act To Be Entitled

9 AN ACT TO REMOVE THE PRELICENSURE EDUCATIONAL
10 REQUIREMENTS EXEMPTION FOR AN INSURANCE ADJUSTER; TO
11 REQUIRE A NONRESIDENT INSURANCE PRODUCER, ADJUSTER,
12 OR CONSULTANT TO MAINTAIN A LICENSE IN GOOD STANDING
13 IN THE LICENSEE'S HOME STATE; AND FOR OTHER PURPOSES.
14

Subtitle

15
16 TO REMOVE THE PRELICENSURE EDUCATIONAL
17 REQUIREMENTS EXEMPTION FOR AN INSURANCE
18 ADJUSTER; TO REQUIRE A NONRESIDENT
19 INSURANCE PRODUCER, ADJUSTER, OR
20 CONSULTANT TO MAINTAIN A LICENSE IN GOOD
21 STANDING IN THE LICENSEE'S HOME STATE.
22

23
24
25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 SECTION 1. Arkansas Code § 23-64-202(b)(2)(A)(iii)(d), concerning
28 exemption from prelicensing education, is amended to read as follows:

29 (d) ~~Applicants for adjuster and consultant~~
30 ~~licenses are~~ An applicant for an insurance consultant license is exempt from
31 prelicensing education, as are nonresident applicants for producer and
32 adjuster licenses from states that engage in reciprocal licensing with
33 Arkansas.
34

35 SECTION 2. Arkansas Code § 23-64-216(a), concerning the suspension or
36 revocation of license of an insurance producer, adjuster, or insurance



1 consultant, is amended to read as follows:

2 (a) The Insurance Commissioner may suspend for up to thirty-six (36)
3 months, may revoke or refuse to continue, or may place in probationary status
4 any license issued by him or her if after notice to the licensee and after
5 hearing, unless a hearing is exempted under subdivision (a)(2)(I)(iii) of
6 this section, he or she finds any one (1) or more of the following causes
7 exist:

8 (1) In the case of an insurance producer or broker licensed as
9 an insurance producer, for any of the causes under § 23-64-512; or

10 (2) In the case of an adjuster or insurance consultant licensed
11 under this subchapter:

12 (A) Providing incorrect, misleading, incomplete, or
13 materially untrue information in the license application;

14 (B) Violating any insurance laws or violating any
15 regulation, subpoena, or order of the ~~commissioner~~ Insurance Commissioner or
16 of another state's insurance commissioner;

17 (C) Obtaining or attempting to obtain a license through
18 misrepresentation or fraud;

19 (D) Improperly withholding, misappropriating, or
20 converting any moneys or properties received in the course of doing insurance
21 business;

22 (E) Intentionally misrepresenting the terms of an actual
23 or proposed insurance contract or application for insurance;

24 (F) Having been convicted of a felony;

25 (G) Having admitted or been found to have committed any
26 insurance unfair trade practice or fraud;

27 (H) Using fraudulent, coercive, or dishonest practices, or
28 demonstrating incompetence, untrustworthiness, or financial irresponsibility
29 in the conduct of business in this state or elsewhere;

30 (I)(i) Having an insurance producer, insurance consultant,
31 or adjuster license, or its equivalent, denied, suspended, or revoked in any
32 other state, province, district, or territory.

33 (ii) A license of a nonresident insurance producer,
34 adjuster, or insurance consultant whose home state license ceases to be
35 active shall be summarily suspended by the Insurance Commissioner under § 23-
36 64-508(b)(2).

1 (iii)(a) If summarily suspending the license of a
2 nonresident insurance producer, adjuster, or insurance consultant under
3 subdivision (a)(2)(I)(ii) of this section, the Insurance Commissioner shall
4 provide notice in writing to the address provided to the State Insurance
5 Department by the licensee.

6 (b) The notice required under subdivision
7 (a)(2)(I)(iii)(a) of this section shall inform the licensee that a hearing
8 may be requested within thirty (30) days of receipt of the notice of
9 suspension;

10 (J) Forging another's name to an application for insurance
11 or to any document related to an insurance transaction;

12 (K) Improperly using notes or any other reference material
13 to complete an examination for an insurance license;

14 (L) Knowingly accepting insurance business from an
15 individual who is not licensed;

16 (M) Failing to comply with an administrative or court
17 order imposing a child support obligation; or

18 (N) Failing to pay state income tax or comply with any
19 administrative or court order directing payment of state income tax.

20
21
22 /s/Lowery

23
24
25 **APPROVED: 3/17/21**