

Secretary of State  
Certificate and Order for Filing  
**PERMANENT ADMINISTRATIVE RULES**

I certify that the attached copies\* are true, full and correct copies of the PERMANENT Rule(s) adopted on February 27, 2006, by the

<u>Oregon Department of Consumer and Business Services</u>	<u>Insurance Division</u>	<u>836</u>
Agency and Division		Administrative Rules Chapter Number
<u>Sue Munson</u>		<u>(503) 947-7272</u>
Rules Coordinator		Telephone
<u>350 Winter Street NE, Room 440, Salem, Oregon 97301-3883</u>		
Address		

to become effective January 1, 2008. Rulemaking Notice was published in the December 2006 Oregon Bulletin.\*\*

**RULE CAPTION**

Licensing, Renewal, Prelicensing Training and Continuing Education Requirements for Insurance Producers  
Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

**RULEMAKING ACTION**

List each rule number separately, 000-000-0000.

**ADOPT:** OAR 836-071-0146

**AMEND:** OAR 836-071-0180, 836-071-0215, 836-071-0220, 836-071-0242 and 836-071-0250

**REPEAL:**

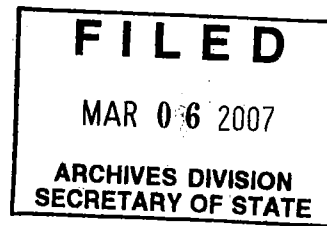
**Renumber:**

**Amend and Renumber:**

**Stat. Auth.:** ORS 731.244 and 744.072

**Other Authority**

**Stats. Implemented:** ORS 744.058, 744.064, 744.067 and 744.072



**RULE SUMMARY**

This rulemaking affects licensing, renewal, prelicensing training and continuing education requirements for insurance producers. The changes in this rulemaking furthers licensing reciprocity for Oregon resident insurance producers and increase consistency between the licensing laws of Oregon and those of other states.

\_\_\_\_\_  
Authorized Signer

*Joel Aris*  
\_\_\_\_\_  
Printed Name

*2/28/07*  
\_\_\_\_\_  
Date

\*With this original, file one photocopy of certificate, one paper copy of rules listed in Rule making Actions, and one electronic copy of rules.  
\*\*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation. Notice forms must be submitted to the Administrative Rules Unit, Oregon State Archives, 800 Summer Street NE, Salem, Oregon 97310 by 5:00 pm on the 15th day of the preceding month unless this deadline falls on a Saturday, Sunday or holiday when Notice forms are accepted until 5:00 pm on the preceding workday. ARC 930-2005

1.007-4 DT

**DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
INSURANCE DIVISION**

**DIVISION 71  
INSURANCE LICENSING**

**Insurance Producers, Adjusters and Insurance Consultants**

**836-071-0146**

**Individual Insurance Producer License Expiration Date**

(1) A license issued to an individual insurance producer expires biennially in the month of the individual's birthday anniversary.

(2) For the purpose of making the transition to renewal according to birth date month as provided in this rule, a license of an individual insurance producer that would have expired on or after the effective date of this rule according to ORS 744.072 expires instead in the birth date month next following the former expiration date.

Stat. Auth.: ORS 731.244 & ORS 744.072

Stats. Implemented: ORS 744.072

**Pre-Licensing Education and Examinations**

**836-071-0180**

**Insurance Producer Pre-Examination Requirements**

(1) An applicant for a license as an insurance producer may take an examination for the license only if the applicant first qualifies for the examination by:

(a) Satisfying pre-licensing education requirements of section (2) of this rule; or  
(b) Satisfying the experience requirements of section (6) of this rule.

(2) An applicant may qualify for the examination by taking pre-licensing education meeting the requirements of section (3) of this rule according to any of the following methods:

(a) Attendance at classroom lectures supervised and conducted by an instructor;  
(b) Attendance at the showing or playing of a previously videotaped or audiotaped lecture, if student check-in and check-out are supervised and a course instructor is present or available to answer student questions; or  
(c) Completion of a verifiable online self-study program.

(3) Pre-licensing education shall consist of not less than:

(a) 20 hours in basic principles of property insurance, the duties and responsibilities of an insurance producer and Oregon-related laws, for authority to transact property insurance;  
(b) 20 hours in basic principles of casualty insurance, the duties and responsibilities of an insurance producer and Oregon-related laws, for authority to transact casualty insurance;  
(c) 20 hours in basic principles of personal lines insurance, the duties and responsibilities of an insurance producer and Oregon-related laws, for authority to transact personal lines insurance;

- (d) 20 hours in basic principles of life insurance, the duties and responsibilities of an insurance producer and Oregon-related laws, for authority to transact life insurance; and
  - (e) 20 hours in basic principles of health insurance, the duties and responsibilities of an insurance producer and Oregon-related laws, for authority to transact health insurance.
- (4) For the purposes of sections (2) and (3) of this rule:
- (a) One hour of training shall consist of not less than 50 minutes of instruction.
  - (b) Surety is included in the casualty insurance line and marine and transportation insurance may be included in the property insurance line or the casualty insurance line.
  - (c) The personal lines line is a subcategory of the casualty insurance line. Consequently, a person who obtains training for a license to transact casualty insurance need not obtain separate or additional training to transact personal lines insurance.
- (5) Except as authorized in section (2) of this rule for an online self-study program, an applicant may not satisfy the training requirements established in this rule by unsupervised training or by self-study.
- (6) An applicant may satisfy experience requirements for the examination by either of the methods described in this section. As provided in section (7) of this rule, an applicant may substitute successful completion of coursework to obtain an industry recognized designation for all or part of the experience requirements. An applicant may also satisfy the experience requirements for the examination by obtaining an insurance degree from an accredited college or university. The methods for satisfying experience requirements are as follows:
- (a) Obtaining and showing proof of three years of verifiable experience as an unlicensed person performing the duties and activities described in OAR 836-071-0280(1) or (2) in the class or classes of insurance for which application is made, but only if any part of the experience has occurred within two years of the date of application for the insurance producer license in this state; and
  - (b) Obtaining and showing proof of three years of licensure as a resident insurance producer, agent or insurance broker in another state, a province of Canada or Mexico:
    - (A) If the applicant has been so licensed within two years of the date of application for the insurance producer license in this state; and
    - (B) If the applicant is not otherwise exempt from taking the examination under ORS 744.067.
- (7) An applicant may substitute successful completion of coursework required for obtaining an industry-recognized designation described in this section for all or a part of the number of years of experience required under section (6) of this rule in the class or classes of insurance for which application was made. The following are the designations, the amount of experience for which the coursework may be substituted and the class or classes of insurance to which the coursework may apply:
- (a) Accredited Advisor in Insurance (AAI) designation of the American Institute for CPCU (Chartered Property and Casualty Underwriter) and Insurance Institute of America: Three years' experience property and casualty;
  - (b) Accredited Customer Service Representative (ACSR) designation of the Independent Insurance Agents & Brokers of America: Two years' experience property and casualty;
  - (c) Associate in Risk Management (ARM) designation of the American Institute for CPCU (Chartered Property and Casualty Underwriter) and Insurance Institute of America: Three years' experience property and casualty;

- (d) Certified Insurance Counselor (CIC) designation of the Society of Certified Insurance Counselors: Three years' experience property and casualty;
  - (e) Certified Professional Service Representative (CPSR) designation of the Professional Insurance Agents Association: Two years' experience property and casualty;
  - (f) Health Insurance Associate (HIA) designation of America's Health Insurance Plans: Three years' experience health;
  - (g) Registered Employee Benefits Consultant (REBC) designation of the American College: Three years' experience health;
  - (h) Registered Health Underwriter (RHU) designation of the National Association of Health Underwriters/American College: Three years' experience health;
  - (i) Any registered program that fulfills the educational requirement leading to the CFP/Certified Financial Planner certification awarded by the Certified Financial Planner Board of Standards, Inc.: Three years' experience life lines;
  - (j) Certified Employee Benefit Specialist (CEBS) designation of the International Society of Certified Employee Benefit Specialists: Three years' experience life and health lines.
  - (k) Life Underwriters Training Council (LUTCF) designation of the Life Underwriters Training Council/American College: Three years' experience life and health lines;
  - (L) Chartered Financial Consultant (ChFC) designation of the American College: Three years' experience life line;
  - (m) Fellow Life Manager Institute (FLMI) designation of LOMA (Life Office Management Association): Three years' experience life line;
  - (n) Certified Professional Insurance Women (CPIW) designation of the National Association of Insurance Women: Two years' experience property and casualty lines; and
  - (o) An industry designation determined by the Director, by virtue of the coursework, to provide experience at least comparable to experience obtained by coursework for an industry designation specifically referred to in this section.
- (8) Pretraining experience claimed under section (6) of this rule is verifiable only if:
- (a) The applicant's employer submits to the Division a completed Division Qualification Form that includes a description of all the pretraining experience claimed by the applicant; and
  - (b) The Division is able to contact the employer to verify the information contained in the Qualification Form.
- (9) Proof of completion of a training course for an industry designation under section (7) of this rule must be evidenced by a certificate of completion or notice of a passing examination score by the organization sponsoring the training.
- (10) The amendments to this rule that were filed in ID 15-2002 with the Secretary of State on June 26, 2002 to become effective on July 1, 2002 are re-adopted with the operative date of July 1, 2002.
- Stat. Auth.: ORS 731.244  
Stats. Implemented: ORS 744.058, 744.064 & 744.067

### **Continuing Education**

**836-071-0215**

## **Continuing Education Requirements for Insurance Producers; Hours; Credit for Experience and Coursework**

Each resident insurance producer is responsible for obtaining the credit hours required by this rule by enrolling in courses approved by the Director that serve the insurance producer's professional needs. The following minimum continuing education requirements apply to resident insurance producers as a condition of renewing a license as insurance producer:

- (1) For each two year renewal period occurring after issuance of an insurance producer license that an insurance producer holds an insurance producer license, the insurance producer must complete 12 hours of continuing education annually or 24 hours in each two-year renewal period; and
- (2) For each two year renewal period occurring after issuance of an insurance producer license, the renewing insurance producer must include in the applicable required hours of completed continuing education:
  - (a) At least three credit hours of continuing education on the subject of Oregon statutes and administrative rules, including recent changes; and
  - (b) At least three credit hours of continuing education of the subject of professional ethics for insurance producers.

Stat. Auth.: ORS 731.244 & 744.072

Stats. Implemented: ORS 744.072

### **836-071-0220**

#### **Continuing Education; Documentation**

- (1) For the purpose of furnishing evidence of completion of a course for which an insurance producer claims credit, the insurance producer shall submit the documentation applicable to the course as follows:
  - (a) For a registered course taken for academic credit, an insurance producer shall submit a transcript, certificate of completion or grade or course completion report, whichever is issued by the institution offering the course, or a copy thereof. For purposes of this subsection, a course is taken for academic credit if it is offered by a community college or four-year college or university, and the insurance producer is given academic credit for the course by such an institution;
  - (b) For coursework taken for the purpose of obtaining a nationally-recognized insurance industry designation, the insurance producer shall submit a transcript, certificate of completion or grade or course completion report, whichever is issued by the entity granting the designation;
  - (c) For a registered course that is not offered for academic credit, an insurance producer shall submit the certificate of completion issued by the provider, or a copy thereof. The certificate must include a statement of the hours of credit, the name of the insurance producer, the date of the course, the course registration number, the authorized signature of the provider and the title of the course. The authorized signature may be made by rubber stamp or other facsimile if the stamped or facsimile signature is in a contrasting color to the print of the certificate. An insurance producer who submits a copy of a

certificate must retain the original certificate for six months after the date of submittal, for the purpose of enabling verification by the Director;

(d) For a course that is not offered for academic credit and is not registered when taken by an insurance producer, an insurance producer must comply with the requirements of OAR 836-071-0250.

(2) An insurance producer who submits a copy of documentation required under this rule must submit the original document upon request by the Director for the purpose of verification.

(3) The Director may accept evidence of completion of a course from continuing education providers through electronic means as specified by the Director.

Stat. Auth.: ORS 731.244 & ORS 744.072

Stats. Implemented: ORS 744.072

### **836-071-0242**

#### **Provider Trade Practices**

(1) A registered provider shall not engage in false, misleading or deceptive advertising.

(2) A registered provider must disclose in writing the charges for a course to each insurance producer applying to take the course, prior to enrollment of the insurance producer.

(3) If a registered provider cancels a course for any reason, the provider must refund all charges in full unless the refund policy is clearly described in the enrollment application for the course.

(4) A registered provider shall ensure that each registered course and each course for which registration is sought provides students with current and accurate information.

(5) A registered provider shall include a statement in all material published by the provider to advertise or promote insurance license continuing education that the provider and courses are registered with the Insurance Division and that registration does not imply endorsement by the Insurance Division.

(6) A registered provider may not advertise continuing education hours until the course has been approved by the Division. If approval has been applied for, however, a registered provider may so advertise.

Stat. Auth.: ORS 731.244 & 744.072

Stats. Implemented: ORS 744.072

### **836-071-0250**

#### **Credit for Unregistered Courses**

(1) An insurance producer may apply for credit as provided in this rule for a course that is not offered for academic credit and is not registered. In order to apply for credit, the insurance producer must submit to the Director an application on a form provided by the Director and substantiation of the course as provided in this rule. The application and substantiation must be submitted not later than the 180th day after the date of completion of the course.

(2) If an unregistered course is on a subject permitted under OAR 836-071-0230, the insurance producer must substantiate to the Director's satisfaction that the course meets

the requirements of OAR 836-071-0225 and 836-071-0230 and that the insurance producer attended and completed the course. To make the substantiation, the insurance producer must submit documentation of the course and proof of attendance provided by the provider concerning the course. The documentation may include, by way of example only, an outline of the course or course materials, workbooks or other materials issued by the provider that show the course work. The Director may request any other information as well, such as times allotted to the parts of the course.

(3) If an unregistered course is not on a subject permitted under OAR 836-071-0230, the insurance producer must substantiate to the Director's satisfaction that the course meets the requirements of OAR 836-071-0225, that the course contributes to the insurance producer's professional competence and will benefit the insurance-buying public and that the insurance producer attended and completed the course. To make the substantiation, the insurance producer must submit documentation provided by the provider concerning the course. The documentation may include, by way of example only, an outline of the course or course materials, workbooks or other materials issued by the provider that show the course work, or proof of passing the final examination for the course or a letter, certificate or other documentation of completion from the provider. The Director may request any other information as well, such as times allotted to the parts of the course.

(4) The application and substantiation required under this rule are subject to review by the Director for the purpose of determining whether to certify the course for credit and evaluating and assigning credit hours. The Director may certify the course, or may reject it if the Director determines that the course does not meet applicable requirements.

Stat. Auth.: ORS 731.244 & 744.072

Stats. Implemented: ORS 744.072

---