

60K.56 CONTINUING INSURANCE EDUCATION.

Subdivision 1. **Definition.** For the purposes of this section, "course" means a course, program of instruction, or seminar of continuing insurance education. A "professional designation examination" means a written, proctored, and graded examination the passage of which leads to a bona fide insurance or financial planning professional designation used by insurance producers.

Subd. 2. **Applicability.** This section applies to all natural persons licensed by this state to sell lines of insurance for which licensing examinations are required.

Subd. 3. **Exemptions.** This section does not apply to persons soliciting or selling solely on behalf of companies organized and operating according to chapter 67A.

Subd. 4. **Powers of the commissioner.** (a) The commissioner shall make the final determination as to accreditation and assignment of credit hours for courses.

(b) The commissioner shall adopt procedures for reporting compliance with the minimum education requirement.

(c) The commissioner shall adopt rules according to chapter 14 to carry out the purposes of this section.

Subd. 5. **Criteria for course accreditation.** (a) The commissioner may accredit a course only to the extent it is designed to impart substantive and procedural knowledge of the insurance field. The burden of demonstrating that the course satisfies this requirement is on the individual or organization seeking accreditation. The commissioner shall approve any educational program approved by Minnesota Continuing Legal Education relating to the insurance field. The commissioner is authorized to establish a procedure for renewal of course accreditation.

(b) The commissioner shall approve or disapprove professional designation examinations that are recommended for approval by the advisory task force. In order for an insurance producer to receive full continuing education credit for a professional designation examination, the producer must pass the examination. A producer may not receive credit for classroom instruction preparing for the professional designation examination and also receive continuing education credit for passing the professional designation examination.

(c) The commissioner may not accredit a course:

(1) that is designed to prepare students for a license examination;

(2) in sales promotion; or

(3) in motivation, the art of selling, or psychology.

Subd. 6. **Minimum education requirement.** Each person subject to this section shall complete a minimum of 30 credit hours of courses accredited by the commissioner during each 24-month licensing period. Any person whose initial licensing period extends more than six months shall complete 15 hours of courses accredited by the commissioner during the initial license period. Any person teaching or lecturing at an accredited course qualifies for three times the number of credit hours that would be granted to a person completing the accredited course. No more than one-half of the credit hours per licensing period required under this section may be credited to a person for attending any combination of courses either sponsored by, offered by, or affiliated with an insurance company or its agents; or offered using new delivery technology, including computer, interactive technology, and the Internet. A licensee may obtain up to five hours of the credit hours per licensing period from classes in the area of professional development including, but not limited to, best practices, ethics, privacy protection, customer/client, personal and safety awareness, software applications, agency management, claims settlement, business perpetuation, and disaster planning. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency.

Subd. 7. **Waiver of requirements.** (a) The commissioner may grant a waiver or an extension of time up to 90 days to complete the minimum education requirement to an individual upon a showing of good cause. It is the licensed person's responsibility to request a waiver or extension on a form prescribed by the commissioner. As of the day the licensed person properly files a request for a waiver or extension, the license remains in effect until the commissioner notifies the licensed person of the commissioner's decision. The commissioner may approve a waiver or extension subject to any reasonable conditions. The person's license remains in effect during the compliance period determined by the commissioner. If the licensed person fails to comply with any reasonable conditions imposed by the commissioner, the commissioner shall terminate the license. If the request for a waiver or extension is denied by the commissioner, the licensed person shall have 30 days within which to satisfy the minimum education requirement involved in the request for a waiver or extension. If the minimum education requirement is not satisfied within the compliance period, the commissioner shall terminate the person's license.

(b) Upon application on a form prescribed by the commissioner, the commissioner may grant a waiver of the minimum education requirement to a licensee who is no longer actively engaged in the solicitation and sale of insurance. A licensed person seeking a waiver from the requirements of this section may be required to submit information to the commissioner that substantiates the person's retirement or inactive status. A licensed person receiving a waiver from the commissioner may maintain and renew a license but may not solicit or sell new insurance business while this waiver is in effect. A licensee may, for a fee, continue to service an insurance

policy for which the licensee is the producer of record, if the policy is in force at the time the waiver is granted. An insurer may not terminate a service contract or refuse to pay compensation because the waiver does not allow the licensee to solicit or sell new insurance.

For the purposes of receiving renewal commissions and other benefits or compensation from insurers, an agent receiving a waiver under this paragraph is considered to be the holder of a valid insurance producer license in this state.

Subd. 8. Reporting. (a) After completing the minimum education requirement, each person subject to this section shall file or cause to be filed a compliance report in accordance with the procedures adopted by the commissioner. A producer must not claim credit for continuing education not actually completed at the date of filing the report.

(b) An institution offering an accredited course shall comply with the procedure for reporting compliance adopted by the commissioner.

(c) If a person subject to this section completes a nonaccredited course, that person may submit an application of the commissioner for approval of the course accompanied by a fee of not more than \$10 payable to the state of Minnesota for deposit in the general fund. Upon a determination that the course satisfies the criteria for course accreditation, the commissioner may approve the nonaccredited course and shall so inform the person.

Subd. 9. Enforcement. If a person subject to this section fails to complete the minimum education or reporting requirement or to pay the prescribed fees for any licensing period, no license may be renewed or continued in force for that person for any class of insurance beginning November 1 of the year due and that person may not act as an insurance producer until the person has demonstrated to the satisfaction of the commissioner that all requirements of this section have been complied with or that a waiver or extension has been obtained.

History: 2001 c 117 art 1 s 27; 2002 c 330 s 4-6; 2006 c 204 s 7,8