

CHAPTER 2725

DEPARTMENT OF COMMERCE

INSURANCE CONTINUING EDUCATION

2725 0100 DEFINITIONS

2725 0110 GENERAL REQUIREMENTS

2725.0100 DEFINITIONS.

Subpart 1. **Scope.** For the purpose of parts 2725.0100 to 2725.0240, the following terms have the meanings given them.

Subp. 1a. **Applicant.** "Applicant" means a person who has applied to the commissioner of commerce pursuant to Minnesota Statutes, section 60A.17, subdivision 1, paragraph (a), for a license as an insurance agent.

Subp. 1b. **Company sponsored course.** "Company sponsored course" means a course sponsored by, offered by, or affiliated with an insurance company or its agents.

Subp. 2. **Coordinator.** "Coordinator" means an individual who is responsible for monitoring insurance education offerings.

Subp. 3. [Repealed, 12 SR 283]

Subp. 4. **Instructor.** "Instructor" means an individual lecturing in an insurance education offering.

Subp. 5. **Licensee.** "Licensee" means a natural person licensed by this state to sell classes of insurance for which licensing examinations are required.

Subp. 6. [Repealed, 12 SR 283]

Subp. 7. **Person.** "Person" means a natural person, firm, institution, partnership, corporation, or association.

Subp. 8. **Sponsor.** "Sponsor" means a person offering or providing insurance education. A sponsor of prelicense education must satisfy the requirements for a private technical institute as mandated by the Minnesota Department of Education.

Statutory Authority: *L 1987 c 337 s 128*

History: *12 SR 283; L 1987 c 258 s 12*

2725.0110 GENERAL REQUIREMENTS.

Subpart 1: **Courses approved for continuing education credit.** Only courses which impart substantive and procedural knowledge relating to the insurance field shall be approved for credit.

Subp. 1a. **Curriculum for prelicense education.** The following are the curriculum requirements for insurance prelicense courses for Minnesota resident agents.

Basic Fundamentals Course

30 hours

Part I

Minimum time: 15 hours

Maximum time: 22.5 hours

1. Rules, Regulations, and Law

A. Rules from the Administrative Procedure Act

a. Chapter 2795 - Agent Conduct

b. Chapter 2790 - Insurance Marketing

Standards

B. Minnesota law regarding general requirements

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2. Fundamentals of Insurance

- A. What is insurance?
- B. What is the insurance organization?
- C. How does insurance relate to society?
- D. What is management of risk?

Part II

Minimum time: 3 hours

Maximum time: 7.5 hours

Property And Casualty

1. Insurance and insurance related concepts
2. Policy provisions
3. Types of policies
4. Perils, exclusions, deductibles, and liability
5. Prospecting and evaluating needs
6. Servicing clients
7. Presentation and acceptance of policy

Part III

Minimum time: 3 hours

Maximum time: 7.5 hours

Life/Accident And Health

1. Types of policies and coverages
2. Policy provisions, options, and benefits
3. Completing the application/delivering the policy
4. Taxes, retirement, and other insurance concepts
5. Group insurance
6. Other provisions affecting insurance benefits

Life/Accident And Health

15 Hours

A. Life

Including but not limited to the following:

1. Whole life
2. Endowment
3. Term
4. Variable
5. Universal

B. Health

Including but not limited to the following:

1. Major medical
2. Hospital
3. Disability
4. Medicare supplement

C. Minnesota laws, rules, and regulations pertinent to life/accident and health insurance only.

Property/Casualty Course

15 hours

A. Personal lines

Including but not limited to the following:

1. Homeowners
2. Auto
3. Inland marine

B. Commercial lines

Including but not limited to the following:

1. Fire
2. Auto
3. Crime
4. Umbrella
5. Inland marine

C. Minnesota laws, rules, and regulations pertinent to property and casualty insurance only.

Subp. 2. Nonapproved courses for continuing education. The following are not approved courses:

- A. a course which is approved for prelicense training;
- B. courses designed to prepare students for a license examination;
- C. courses in mechanical office or business skills, including typing, speed reading, or use of calculators or other machines or equipment;
- D. courses in sales promotion, including meetings held in conjunction with the general business of the licensee;
- E. courses in motivation, salesmanship, psychology, time management, or communication;
- F. courses related to office management or intended to improve the operation of the licensee's business;
- G. courses which are primarily intended to impart knowledge of specific products of specific companies, if the use of the product or products relates to the sales promotion or marketing of one or more of the products discussed;
- H. courses not approved by the Department of Commerce; or
- I. courses which can be completed by the student at home or outside the classroom without the supervision of an instructor approved by the Department of Commerce.

Subp. 3. Automatic approval. The commissioner shall grant automatic approval for continuing education for insurance related courses approved by the Department of Commerce for real estate education, the Board of Continuing Legal Education for legal education, or similar regulatory offices within Minnesota.

The commissioner shall grant approval for the purpose of continuing education for courses approved by the insurance regulatory agency in another state if the continuing education laws and rules governing course accreditation in that state do not conflict with parts 2725.0100 to 2725.0240.

Subp. 4. Credit hours. Continuing education courses must be attended in their entirety in order for a licensee to receive full credit. Proportional credit will be given for partial attendance at a continuing education course. Sponsors may not issue certificates of compliance to students that have not attended the entire prelicensing course. Certificates of compliance may be issued to students who have completed the entire course even if the student did so by attending more than one offering of the course.

Upon completion of approved courses, students shall receive credit for the number of hours approved for the course based on one hour of credit for each hour of attendance.

The number of approved hours will include only time spent on educational activities.

The approved instructor for a continuing education course shall earn one and one-half hours of continuing education credit for each one hour of instruction of approved continuing education courses.

Neither students nor instructors may earn continuing education credit for attending or instructing at any subsequent offering of the same continuing education course for three years after attending or teaching the course.

Subp. 5. Examinations. Course examinations will not be required for insurance education courses unless the sponsor requires an examination.

Subp. 6. Textbooks. Textbooks are not required for insurance education courses. If textbooks are not used, students are to be provided with a syllabus containing, at a minimum, the course title, times and dates of the course offering, the names and addresses or telephone numbers of the course coordinator and instructor, and a detailed outline of the subject matter to be covered. A textbook or syllabus must be available for the use of each student during the course. Any printed material disbursed to the students must be of a readable quality. Any textbook required must contain accurate and current information relating to the subject being taught.

Subp. 7. Approval of course offerings. Sponsors must submit their courses to the commissioner for approval at least 30 days prior to the date on which the course is to be held. Each application for approval of a course offering must be accompanied by the application for approval of the instructor unless the instructor has already been approved. Applications must be submitted on forms prescribed by the commissioner.

Subp. 8. Approval of continuing education courses not submitted for approval. Licensees may receive continuing education credit for courses attended which have not been submitted for approval by a coordinator. Requests for approval of these courses must be submitted on forms prescribed by the commissioner.

Subp. 9. Advertising. Courses cannot be advertised in any manner as approved unless approval has been granted, in writing, by the commissioner.

Upon written request by a sponsor, the commissioner shall grant permission, in writing, to the sponsor to use the term "approval pending" if it is clearly visible in the advertisement and if in fact the course has been submitted to the commissioner for approval in accordance with subpart 7.

All advertising relating to approved course offerings must contain either of the two following statements as is appropriate: "This course has been approved by the commissioner of commerce for insurance continuing education credit." or "This course has been approved by the commissioner of commerce for prelicensing education credit." The statement must be prominently displayed on the cover of any pamphlet, advertisement, or circular.

The number of hours for which a course has been approved shall be prominently displayed on any advertisement for the course. If the course offering is longer than the number of hours of credit to be given, it must be clear that credit is not earned for the entire course.

Advertising must be truthful, clear, and not deceptive or misleading.

Advertising of approved courses must be clearly distinguishable from the advertisement of other nonapproved courses and services.

Subp. 10. Approval of subsequent offerings. If approval has been granted for the initial offering of a course, approval for subsequent offerings shall be granted without requiring a new application if a "Notice of Subsequent Offering" is filed with the commissioner at least 30 days in advance of the date the course is to be held.

Subp. 11. Continuing education courses must be open. All continuing education course offerings, except company sponsored courses which are specifically restricted to agents of the company or agency, shall be open to any interested individuals. Access to prelicensing course offerings may be restricted by the sponsor.

Subp. 12. Fees. Fees for courses shall be reasonable and clearly identified to students.

Reasonable discounts of tuition may be offered.

If a course is canceled for any reason, all fees shall be returned promptly. In all instances, the fees must be refunded within 30 days of cancellation.

In the event that a course is postponed for any reason, students shall be given

the choice of attending the course at a later date or having their tuition refunded in full. The fees must be refunded within 30 days of postponement unless the student has notified the sponsor that he or she has chosen to attend the postponed course.

A sponsor may have a refund policy addressing student's cancellation or failure to complete a course, as long as that policy is clear to potential students.

Subp. 13. Adequate facility to be used. Each course of study shall be conducted in a classroom or other facility which is adequate to comfortably accommodate the faculty and the number of students enrolled. The sponsor may limit the number of students enrolled in a course.

Subp. 14. National examinations. Courses leading to a recognized national examination shall be assigned continuing education credit hours in the same manner as other courses.

Subp. 15. [Repealed, 12 SR 283]

Statutory Authority: *L 1987 c 337 s 128*

History: *12 SR 283*