

**CHAPTER 2725**  
**DEPARTMENT OF COMMERCE**  
**INSURANCE CONTINUING EDUCATION**

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**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 [Repealed, 12 SR 283]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 [Repealed, 12 SR 283]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:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c); L 1987 c 337 s 128*

**History:** *10 SR 538; 10 SR 2512; 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.

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### 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
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.

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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 precicensing 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:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c); L 1987 c 337 s 128*

**History:** *10 SR 538; 10 SR 2512; 12 SR 283*

### 2725.0120 FALSIFICATION OF REPORTS.

A licensee or applicant found to have falsified an insurance education report to the commissioner shall be considered to have violated the insurance licensing law, and shall be subject to suspension or revocation of his or her insurance license or denial of his or her application for licensing.

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*

### 2725.0130 COMMISSIONER'S RIGHT TO AUDIT.

The commissioner has the right to audit subject offerings with or without notice to the sponsor.

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*

### 2725.0140 GENERAL POWERS OF COMMISSIONER.

The commissioner may deny, censure, suspend, or revoke the approval of a coordinator, instructor, or course if it is determined not to be in compliance with the statute or rules governing the offering of insurance education courses. The commissioner may also refuse to approve courses by specific sponsors if it is determined that past offerings have not been in compliance with insurance education laws and rules.

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*

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## INSURANCE CONTINUING EDUCATION 2725.0160

### 2725.0150 MANDATORY NOTICE TO STUDENTS.

At the beginning of each approved insurance education offering, one of the following notices, as is appropriate, shall be read to the students: "This course has been approved by the commissioner of commerce for \_\_\_\_ (number) hours of insurance continuing education credit. If you have any comments about this offering, please mail them to the Commissioner of Commerce, 500 Metro Square Building, Saint Paul, Minnesota 55101." or "This course has been approved by the commissioner of commerce for \_\_\_\_ (number) hours of insurance preclicensing education credit. If you have any comments about this offering, please mail them to the Commissioner of Commerce, 500 Metro Square Building, Saint Paul, Minnesota 55101."

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*

### 2725.0160 COURSE COORDINATOR.

**Subpart 1. General requirement.** Each course of study shall have at least one coordinator, approved by the commissioner, who is responsible for supervising the program and assuring compliance with the statutes and rules governing the offering of insurance education courses. Assistants may be hired by the sponsor; however, the approved coordinator remains responsible for compliance with the laws.

**Subp. 2. Qualifications.** Course coordinators shall possess the following qualifications:

A. a minimum of five years (during the immediately preceding five-year period) as an active licensed insurance agent; or

B. at least three years (during the immediately preceding five-year period) full-time experience in the administration of an education program; or

C. a degree in education plus at least two years (during the immediately preceding five-year period) insurance experience.

**Subp. 3. Forms.** Applications for coordinator approval shall be submitted on forms prescribed by the commissioner.

**Subp. 4. Responsibilities.** The coordinator must:

A. Assure compliance with all laws and rules pertaining to insurance education.

B. Notify the commissioner of any material change in applications for course or instructor approval.

C. Assure that students are provided with current and accurate information.

D. Supervise and evaluate courses and instructors. The commissioner may request written evaluations of courses and/or instructors either by students or coordinators.

E. Investigate written complaints relating to course offerings and/or instructors, and forward a copy of the written complaints to the Department of Commerce.

F. Maintain accurate records relating to course offerings, instructors, and student attendance for a period of five years from the date the course was completed. If the coordinator leaves the employ of the sponsor, the records must be turned over to the replacement coordinator or an officer of the sponsor. If a sponsor ceases operation, the coordinator shall be responsible for maintaining the records or providing a custodian of the records acceptable to the commissioner. In order to be acceptable, custodians must agree to make copies of student records available to students at a reasonable fee. Under no circumstances will the commissioner act as custodian of the records.

G. Be available to instructors and students throughout the course offer-

ings, and provide the name of the coordinator and a telephone number at which he or she can be reached.

H. Provide students with course completion certificates, on a form prescribed by the commissioner, within 30 days of completion of the course. Notwithstanding the preceding sentence, a coordinator may require payment of the course tuition as a condition for receiving the course completion certificate.

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*

### 2725.0170 INSTRUCTORS.

Subpart 1. **General requirement; continuing education.** Failure to have only approved instructors teach at an approved continuing education offering will result in loss of course approval.

If, after approval of a course, the instructor named in the application for course approval is unable to teach the course and there is insufficient time to obtain approval of a substitute instructor, proportional credit will be given for those parts of the course taught by approved instructors.

Credit for the parts of a course taught by an unapproved instructor may be obtained if the following requirements are satisfied:

A. Within 15 business days after the course is taught by an unapproved instructor, a request for approval of the instructor is filed with the department. The request must be made on forms prescribed by the commissioner.

B. Notice of the use of an unapproved instructor must be given to all enrollees as soon as that fact is known and again prior to the commencement of the course. The notice must state:

(1) that fewer credit hours may be earned for the course than the course was originally approved for;

(2) that a full refund will be given if the enrollee decides not to attend the course;

(3) that if the enrollee does attend the course and does not earn the number of credit hours for which the course was originally approved, a refund will be automatically made in proportion to the reduction in credit hours earned. The refund will be made when the department's determination is made as to the approval of the substitute instructor.

Subp. 1a. **General requirement; preclicensing education.** Failure to have only approved instructors teach at an approved preclicensing education offering will result in loss of course approval. If, after approval of a course, the instructor named in the application for course approval is unable to teach the course and there is insufficient time to obtain approval of a substitute instructor, credit for the parts of a course taught by an unapproved instructor may be obtained if the following requirements are satisfied:

A. Within 15 business days after the course is taught by an unapproved instructor, a request for approval of the instructor is filed with the department. The request must be made on forms prescribed by the commissioner.

B. Notice of the use of an unapproved instructor must be given to all enrollees as soon as that fact is known and again prior to the commencement of the course. The notice must state:

(1) that no credit may be earned for the course;

(2) that a full refund will be given if the enrollee decides not to attend the course;

(3) that if the enrollee does attend the course and does not earn credit for the course, a refund will be automatically made. The refund will be made when the department's determination is made as to the approval of the substitute instructor.

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**Subp. 2. Qualifications.** Instructors shall possess the following qualifications:

- A. three years of recent experience in the subject area being taught; or
- B. a degree related to the subject area being taught; or
- C. two years of recent experience in the subject area being taught and 60 hours of course work in the subject area being taught.

**Subp. 3. Responsibilities.** Approved instructors must:

- A. comply with all laws and rules pertaining to insurance education;
- B. provide students with current and accurate information;
- C. maintain an atmosphere conducive to learning in a classroom; and
- D. provide assistance to the students and respond to questions relating to course material.

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*

### **2725.0180 MANAGEMENT RESPONSIBILITY OF SPONSORS.**

Sponsors of insurance education courses are responsible for the actions of the coordinators and instructors.

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*

### **2725.0190 PROHIBITED PRACTICES.**

The following practices of sponsors, coordinators, and instructors are prohibited:

- A. misrepresenting any material submitted to the commissioner; and
- B. promoting any particular insurance agency or company or their products.

**Statutory Authority:** *MS s 60A.1701 subd 6 para (c)*

**History:** *10 SR 538*

### **2725.0200 NOTIFICATION REQUIREMENTS FOR COORDINATORS AND INSTRUCTORS.**

Coordinators and instructors must notify the commissioner within ten days after the occurrence of the following:

A. A felony or gross misdemeanor conviction or of disciplinary action taken against an insurance or other occupational license held by the coordinator or instructor. The conviction or action may be grounds for denying or revoking instructor or coordinator approval.

B. Any change of information contained in an application for approval.

**Statutory Authority:** *MS s 60A.1701 subd 6 para (c)*

**History:** *10 SR 538*

### **2725.0210 REPORTING REQUIREMENTS.**

A. Insurance education credit must be reported by the licensee on forms and in a manner prescribed by the commissioner.

B. Persons licensed for the first time on or after June 1 in any year shall not be subject to the continuing education requirements of Minnesota Statutes, section 60A.1701, subdivision 8, until the commencement of the following annual reporting period.

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*



**2725.0220 WAIVERS.**

If a licensee provides satisfactory documentation to the commissioner that he or she is unable, and will continue to be unable, to attend actual classroom course work, because of a physical handicap, medical condition, or similar reason, attendance at continuing education courses shall be waived for a period not to exceed one year. The commissioner shall require that the individual read a sufficient number of insurance textbooks, or listen to a sufficient number of insurance related tapes as would be necessary for the licensee to satisfy his or her educational credit hour needs. The commissioner shall award the licensee credit hours for reading books or listening to tapes by determining how many credit hours would be granted to a classroom course involving the same material and giving the licensee the same number of credit hours under this part. The licensee may apply each year for a new waiver upon the same terms and conditions as were necessary to secure the original waiver. The commissioner may request such documentation of the condition upon which the request for waiver is based as shall be necessary to satisfy the commissioner of the existence of the condition and that the condition does preclude attendance at continuing education courses.

**Statutory Authority:** *MS s 60A.1701 subd 6 para (c)*

**History:** *10 SR 538*

**2725.0230 CONTINUING EDUCATION EXTENSIONS.**

Upon appropriate showing of a bona fide financial or medical hardship, the commissioner shall extend, for up to 90 days, the time period during which the continuing education must be successfully completed. Loss of income from either attendance at courses or cancellation of a license is not a bona fide financial hardship.

Requests for extensions must be submitted in writing no later than April 1 of the year due and shall include an explanation with verification of the hardship, plus verification of enrollment at an approved course of study.

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*

**2725.0240 CONTINUING EDUCATION EXEMPTIONS.**

A currently licensed insurance agent shall be exempted from continuing education requirements if the agent's age and years licensed as an insurance agent in good standing in Minnesota exceed 85 years, as long as that agent has maintained an active insurance agent license in the state for the last ten consecutive years.

**Statutory Authority:** *MS s 45.023; 60A.17; 60A.1701 subd 6 para (c)*

**History:** *10 SR 538; 10 SR 2512*