

**INSURANCE
DEPARTMENT OF BANKING AND INSURANCE
DIVISION OF INSURANCE**

Producer Licensing

Readoption with Amendments: N.J.A.C. 11:17

Proposed: November 17, 2008 at 40 N.J.R. 6523

Adopted: April 8, 2009 by Steven M. Goldman, Commissioner, Department of Banking and Insurance

Filed: April 8, 2009 as R 153.2009d. **without change**

Authority: N.J.S.A.17:1-8.1 and 15e and 17:22A-26 et seq.

Effective Date: April 8, 2009, Readoption;
May 4, 2009, Amendments

Expiration Date: April 8, 2014

Summary of Public Comments and Agency Responses:

The Department of Banking and Insurance (Department) received written comments from Timothy M. Wyman, Director of The Professional School of Business; Richard M. Stokes, Esq., Regional Manager and Counsel of the Property Casualty Insurers Association of America; and Jeanne M. Heisler, Government Affairs Representative of the Independent Insurance Agents and Brokers of New Jersey.

COMMENT: The commenter expresses disagreement with the proposed disallowance in N.J.A.C. 11:17-3.6(a)4 of insurance pre-licensing education courses to fulfill ongoing continuing education credits. The commenter points to related fields with pre-licensing courses such as securities or real estate which allow continuing education credit for such courses, claiming that the Department already allows dual purpose courses for PAIP/CAIP certification, flood insurance, professional designations, etc.

RESPONSE: The Department disagrees with the commenter. The purpose of the amendment is to codify current Department practice. Approved insurance education providers may submit for approval continuing education classes that cover a topic within the pre-licensing education program (for example, the morning of one day of prelicensing education covers a topic that is also open to existing producers for continuing education credits) Such courses must be submitted, reviewed and approved as continuing education classes, not pre-licensing. Dual purpose continuing education credits are not pre-licensing education courses.

COMMENT: The commenter asserts that reducing actual classroom time under N.J.A.C. 11:17-3.6(b) from two hours to one hour is likely to contribute to further abuse of the continuing education process with regard to “live classroom style courses.” The commenter suggests that the Department should consider making this amendment applicable to online continuing education courses only, or not at all.

RESPONSE: The Department disagrees with the commenter. The purpose of this change was to update the regulations to conform with current Department policy. In accordance with the NAIC Uniform Licensing Standards, the minimum credit awarded for a course is one credit for one hour of continuing education instruction. The standard applies to any method of ongoing education. The Department conforms with all national uniformity standards, so one credit continuing education courses are permitted.

COMMENT: The commenter recognizes the Department’s efforts to minimize the amount of paperwork necessary to document compliance with continuing education credits by producers and asserts the belief that the movement towards electronic communication such as e-mail is a

welcomed step with the regulations. The commenter further asserts the belief that it is important to look for ways to reduce the amount of paperwork and modernize the communication of such information.

RESPONSE: The Department appreciates the commenter's expression of support for the rule.

COMMENT: The commenter raises concerns with the amendment to N.J.A.C. 11:17-3.6(a)4 that prohibits the use of pre-licensing education courses to fulfill continuing education credits. The commenter believes that the ultimate goal of having a trained and educated workforce is the goal of the regulations and that the use of pre-licensing education credits toward continuing education credits meets the State goal and, therefore, asks the Department to delete the change.

RESPONSE: The Department disagrees with the commenter. The goal of the Department is the qualitative, thorough, expedient and accessible continuing education of insurance producers. Pre-licensing education courses are intended for license initiation and provide entry level educational information. However, as stated previously, portions of a prelicensing education program focusing on a particular topic may be submitted to the Department for review and approval as a separate continuing education class.

COMMENT: The commenter asserts that since the Department is requiring producers to verify their compliance with continuing education credits by viewing the online producer transcript on the Department website as maintained by the recordkeeping vendor, the online records should be available from the recordkeeping vendor for a period of ten years due to the producers' need to verify a longer period of compliance with training 10 for other organizations.

RESPONSE: The Department disagrees with the commenter. An online transcript for the preceding licensing period is sufficient to verify the producer's compliance with continuing education requirements to meet the biennial regulatory requirements. Training requirements for other organizations or programs are not a part of the Department's review process and therefore can not be mandated through requirements for the Department's vendor. Producers can access, print and retain online transcripts to fulfill any need for training verification beyond the prior and current license cycle.

Federal Standards Statement

A Federal standards analysis is not required because the rules readopted with amendments are not subject to any Federal standards or requirements.

Full text of the readopted rules can be found in the New Jersey Administrative Code at N.J.A.C. 11:17.

Full text of the adopted amendments follows: