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Sequence Number: _____
 Notice ID(s): _____
 File Date: _____

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

| | |
|---------------------------------|---|
| Agency/Board/Commission: | Tennessee Department of Commerce and Insurance |
| Division: | Tennessee Insurance Division |
| Contact Person: | Jenny Taylor |
| Address: | 500 James Robertson Parkway, Nashville, Tennessee 37243 |
| Phone: | (615) 741-2325 |
| Email: | Jenny.Taylor@tn.gov |

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

| | |
|---------------------|---|
| ADA Contact: | Don Coleman |
| Address: | 500 James Robertson Parkway, Nashville, Tennessee 37243 |
| Phone: | (615) 741-6500 |
| Email: | Don.Coleman@tn.gov |

Hearing Location(s) (for additional locations, copy and paste table)

| | | | |
|---------------|-----------------------------|-----|--|
| Address 1: | 500 James Robertson Parkway | | |
| Address 2: | Conference Room 1-A | | |
| City: | Nashville | | |
| Zip: | 37243 | | |
| Hearing Date: | 02/14/2020 | | |
| Hearing Time: | 9:00 A.M. | CST | |

Additional Hearing Information:

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Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

| Chapter Number | Chapter Title |
|----------------|--|
| 0780-01-56 | Licensing Requirements for Insurance Producers |
| Rule Number | Rule Title |
| 0780-01-56-.06 | Pre-Licensing Education Requirements |
| 0780-01-56-.08 | Continuing Education |

Chapter 0780-01-56
Licensing Requirements for Insurance Producers
Amendments

Paragraph (3) of Rule 0780-01-56-.06 Pre-Licensing Education Requirements is deleted in its entirety and replaced with the following:

- (3) The amounts of total hours which an insurance producer is required to take are listed as follows:

| <u>Lines of Insurance</u> | <u>Number of Hours</u> |
|---------------------------|------------------------|
| Title | 20 |
| Life | 20 |
| Accident and Health | 20 |
| Property | 20 |
| Casualty | 20 |
| Personal Lines | 20 |

Authority: T.C.A. §§ 56-6-105, 56-6-106, 56-6-107, 56-6-109, 56-6-124, 56-32-114, 56-35-122 and 56-35-201.

Rule 0780-01-56-.08(2) Continuing Education is amended by adding a new subparagraph (e) and renaming the subsequent subparagraphs accordingly, so that Rule 0780-1-56-.08(2) shall read as follows:

- (2) Qualifying Programs.
- (a) In order to qualify for credit towards satisfaction of the requirements of this Rule, an educational program must be a formal program of learning which contributes directly to the professional competence of the insurance producer and such program must meet the standards outlined for continuing educational programs.
- (b) Formal programs requiring attendance may be considered for credit if:
1. A detailed outline is prepared and presented to the commissioner for approval;
 2. The program is at least one (1) credit hour [fifty (50) minutes] in length; and
 3. The program is conducted by a qualified instructor, discussion leader or lecturer.
- (c) An instructor of a certified continuing education program shall receive continuing education credit. Credit for presenting a certified continuing education program will be awarded only for the first presentation, unless a program has been substantially revised since credit was last awarded. The amount of credit awarded shall be two (2) times the number of approved class hours for the program.
- (d) The list of subjects that will be acceptable for continuing education credits includes, but is not limited to the following:
1. Insurance, annuities, and risk management;
 2. Insurance laws and regulations;
 3. Mathematics, statistics, and probability;
 4. Economics;
 5. Business law;
 6. Finance;
 7. Taxes;

8. Business environment, management or organization; and
 9. Subjects other than those listed above may be acceptable if the insurance producer can demonstrate that they contribute to professional competence and otherwise meet the standards set forth in this Rule. The responsibility for substantiating that a particular program meets the requirements of this Rule rests solely upon the insurance producer.
- (e) A member of an insurance trade association shall receive two (2) general continuing education credits annually based solely on membership in an insurance trade association. A maximum of two (2) general continuing education credits, based on association membership, are allowed per year. The two (2) general continuing education credits are allowable if the insurance trade association:
1. is approved as a continuing education provider as required by this rule;
 2. has been in existence for at least five (5) years;
 3. was formed for purposes other than providing continuing education;
 4. provides the commissioner with the association's Articles of Incorporation on file with the Tennessee Secretary of State;
 5. provides to the commissioner a certification that:
 - (i) those members are active in the professional insurance association; and
 - (ii) those members attended a national, statewide, or intrastate regional meeting in the previous year.
 6. pays a course reporting fee of one dollar (\$1.00) for each continuing education credit hour reported in accordance with the Department's or its designee's internet credit recording procedure.
- (f) Subjects that will not be acceptable for continuing education credits include, but are not limited to the following:
1. Any course used to prepare for taking an insurance licensing examination;
 2. Committee service in any professional organization;
 3. Computer science courses;
 4. Motivational, psychology, or sales training courses; and
 5. Securities courses, other than variable annuities.
- (g) Continuing education programs which shall be deemed to meet the commissioner's standards, if properly submitted to the commissioner and approved, are:
1. Any part of the Life Underwriter Training Counsel Life Course Curriculum or Health Course;
 2. Any part of the American College Life Underwriter Training Counsel Fellow (LUTFC) and Financial Services Specialist (FSS) designation curriculum;
 3. Any part of the American College Chartered Life Underwriter (CLU), Chartered Financial Consultant (ChFC), Chartered Advisor for Senior Living (CASL), or Master of Science in Financial Services (MSFS) diploma curriculum;
 4. Any part of the Insurance Institute of America's programs;

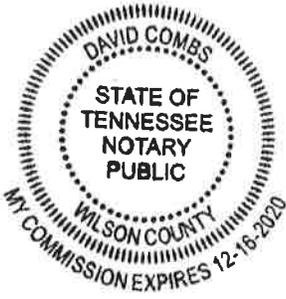
5. Any part of the American Institute for Property and Liability Underwriters Chartered Property Casualty Underwriter (CPCU) professional designation program;
 6. Any part of the National Alliance for Insurance Education programs;
 7. Any part of the American Land Title Association's, the Land Title Institute's, or the Tennessee Land Title Association's programs;
 8. Any program relating to the field of real property law or title insurance law approved by the Committee on Continuing Legal Education of the Supreme Court of Tennessee;
 9. Successful completion of any insurance related course approved by the Commissioner and taught by an accredited college or university per credit hour granted;
 10. Any part of the Tennessee Association of Health Underwriters' or the National Association of Health Underwriters' programs;
 11. Any part of the Independent Insurance Agents of Tennessee's programs;
 12. Any part of the National Association of Insurance and Financial Advisors (NAIFA) of Tennessee programs; and
 13. Any part of the Professional Insurance Agents of Tennessee (PIA) programs.
- (h) A producer may carry over a maximum of twelve (12) continuing education credit hours to the next renewal cycle for additional hours obtained during the biennium. However, carry over shall not apply to ethics continuing education credit requirements.
- (i) Any correspondence or self-study program approved by the commissioner shall qualify for the equivalent number of classroom hours, provided that:
1. All correspondence or self-study programs shall include a final examination; and
 2. Any provider of correspondence or self-study programs shall be the originally published provider or have the written authorization of the originally published provider to present such program.
- (j) All programs for continuing education must be submitted for approval on a form prescribed by the commissioner and submitted at least thirty (30) days prior to the program's presentation. In the event the provider does not know the specific content of the curriculum prior to program presentation due to the nature of the program, the provider may submit the course thirty (30) days after program presentation. However, the provider shall notify attendees and place prominently in all marketing materials that the continuing education course may or may not be approved for credit and that the approval may not occur until sixty (60) days after the course is taught. Any hours credited to a producer from a course approved after the course is given shall only be credited as of the day of the approval and not the day of the course's presentation.
- (k) The commissioner specifically reserves the right to approve and disapprove credit for continuing education claimed under this Rule.
- (l) The commissioner may require any original publisher or provider to submit all material to be used in the program to the commissioner for review.
- (m) Any applicant who seeks approval as a provider of certified continuing education programs shall submit an application on a form prescribed by the commissioner with a non-refundable filing fee in the amount of five hundred (\$500) dollars. All providers shall

be required to annually renew their authority to provide certified continuing education programs on a form prescribed by the commissioner with a non-refundable filing fee in the amount of two hundred and fifty (\$250) dollars. Any material change in or to a certified continuing education program shall require prior approval before an insurance producer may receive credit for such altered program. Program certification shall expire at such time as the commissioner may determine. State educational institutions are exempt from these filing fees, but must comply with all other requirements in order to obtain/maintain provider authority.

- (n) All providers must maintain, for not less than four (4) years from the date the program was presented, a record of persons attending each program and upon completion of the program requirements, provide a certificate of completion with credit hours earned to each successful student. The certificate shall bear the provider's identification number as assigned by the commissioner upon the granting of authority to provide continuing education programs.
- (o) Any insurance company, trade association, individual corporation, partnership, firm or agency that has been approved and been given authority by the commissioner to be a continuing education provider under this Rule shall meet the following continuing minimum operational standards:
 - 1. A minimum of one (1) business office open to the public, with a minimum of one (1) telephone to be answered by an employee or voice message service, during normal business hours, equipped with the usual office equipment such as a desk, filing cabinets, typewriter/word processor/computer, supplies, and other similar items; and
 - 2. Classroom(s) (not applicable to self-study programs) in compliance with the Americans with Disabilities Act (ADA), comprised of a room large enough to accommodate a minimum of ten (10) students with comfortable chairs and appropriate writing surfaces for each student and a chalk board or flip chart.
- (p) Any individual or provider who violates the provisions of this Chapter shall be subject to disciplinary action and/or civil penalties pursuant to T. C. A. §§ 56-6-112 and 56-2-305.

Authority: T.C.A. §§ 56-2-305, 56-6-107, 56-6-112, 56-6-118(b), 56-6-124, 56-32-114, 56-35-122, 56-35-201, and 42 U.S.C. § 4011 (2004).

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.



Date: 12/19/19

Signature: Jenny Taylor

Name of Officer: Jenny Taylor

Title of Officer: Associate General Counsel and Supervising Attorney

Subscribed and sworn to before me on: December 19, 2019

Notary Public Signature: [Signature]

My commission expires on: 12/16/20

Department of State Use Only

Filed with the Department of State on: _____

Tre Hargett
Secretary of State

**Department of State
Division of Publications**

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Nashville, TN 37243
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Authority: T.C.A. §§ 56-2-305, 56-6-107, 56-6-112, 56-6-118(b), 56-6-124, 56-32-114, 56-35-122, 56-35-201, and 42 U.S.C. § 4011 (2004).

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: _____

Signature: _____

Name of Officer: _____

Title of Officer: _____

Subscribed and sworn to before me on: _____

Notary Public Signature: _____

My commission expires on: _____

Department of State Use Only

Filed with the Department of State on: _____

Tre Hargett
Secretary of State