

DEPARTMENT OF REGULATORY AGENCIES

Division of Insurance

3 CCR 702-1

ADMINISTRATIVE PROCEDURES

Proposed Repealed and Repromulgated Regulation 1-2-5

INSURANCE PRODUCER PRELICENSING EDUCATION REQUIREMENTS FOR RESIDENTS

Section 1	Authority
Section 2	Scope and Purpose
Section 3	Applicability
Section 4	Definitions
Section 5	General Requirements
Section 6	Course Approval
Section 7	Course Hour Requirements
Section 8	Certification of Satisfactory Completion
Section 9	Period of Validity for Prelicensing Course Certificates
Section 10	Exemptions from Prelicensing education
Section 11	Compliance
Section 12	Enforcement
Section 13	Severability
Section 14	Further Information and Submittals
Section 15	Effective Date
Section 16	History

Section 1 Authority

This regulation is promulgated under the authority of §§ 10-1-109, 10-2-104, and 10-2-201(2), C.R.S.

Section 2 Scope and Purpose

The purpose of this regulation is to set forth the prelicensing education required for all applicants for a resident insurance producer license issued by the State of Colorado. The regulation also sets forth the method for submission and approval of prelicensure education courses.

Section 3 Applicability

The requirements of this regulation shall apply to all applicants for a resident insurance producer license issued by the State of Colorado who are subject to the prelicensure education requirements set forth in § 10-2-201, C.R.S. The requirements of this regulation shall also apply to providers of prelicensure education in Colorado.

Section 4 Definitions

- A. "Course Provider" means the person or entity approved by the Division to offer prelicensing education courses for Colorado resident insurance producers.
- B. "Division" means the Colorado Division of Insurance.
- C. "Insurance Producer" shall have the same meaning as set forth in § 10-2-103(6), C.R.S.

- D. "License" shall have the same meaning as set forth in § 10-2-103(7), C.R.S.
- E. "Line of Authority" shall mean the specific type of insurance as authorized in § 10-2-407, C.R.S.
- F. "NAIC" shall mean the National Association of Insurance Commissioners.
- G. "Resident" shall have the meaning as set forth in § 10-2-405, C.R.S.

Section 5 General Requirements

Any person applying for a Colorado resident insurance producer license, other than those exempt pursuant to § 10-2-202, C.R.S., must successfully complete prelicensing education before taking the state producer license examination. The prelicensing education required by this regulation shall be satisfied by the successful completion of course(s), with hours totaling those required by Section 7 of this regulation. Course(s) must be approved for prelicensing for the particular line of authority by the Division. Only successful completion of courses approved by the Division will satisfy the requirements of the regulation.

Section 6 Course Approval

- A. Prior to being offered or advertised, any prelicensing course or program must be approved by the Division. Any change in the course or program must be approved by the Division prior to being implemented. Any full-time program of prelicensure education operated by a company with a qualified home office located in Colorado will not be required to submit courses for review and certification by the Commissioner. Course approval requests must be accompanied by the following:
 - 1. Course or program outline(s) showing individual topic(s) to be covered and hours to be satisfied. The course or program outline must include and demonstrate the following:
 - a. The legal concepts and regulations portion of the course or program shall cover all sections of Colorado insurance law listed in the examination content outline. This outline is available on the Division's website.
 - b. The course or program outline must show the page and paragraph where the required information is located on the submitted course. If the course or program is web-based or otherwise electronically transmitted then the outline must identify the slide or screen number or other distinguishable location where the information is located, as applicable.
 - c. The hours requested for the course or program must be substantiated by a word count, screen count or other quantifiable method.
 - 2. Copies of all proposed study materials. Publicly published text or other study materials require submission of the title, edition date, publisher, and authority. The Division may request the text or other materials, as necessary;
 - 3. Instructor qualifications. Instructors must meet one or more of the following qualifications: demonstrated competence in the subject area; a professional insurance designation; or academic qualifications (by a specific degree related to insurance or instructing or teaching);
 - 4. Method of measuring satisfactory completion; and
 - 5. The appropriate course or program fee and the course or program submittal document.

Once approved, a course or program may be offered for three years without additional notice to the Division so long as the course or program content is not materially changed, except to reflect changes in the insurance laws.

- B. Prelicensing courses may consist either of classroom study or self-study (including online courses). Evaluation of any proposed course shall be based upon the substance of the course and not its method of delivery. During the consideration of approval for a self-study course or program, the Division will take into account the specific method used to verify that a student satisfactorily completed the course or program. One of the following methods shall be used in measuring satisfactory completion of a course or program:
1. Self-Study courses or programs must have a final examination that is monitored by a disinterested third party. Final examination is a closed book examination taken and passed by an individual without assistance and personally monitored by a disinterested third party, who is not a minor, not related to the individual, his immediate supervisor, or his/her employee. A score of 70% or above is required for the examinee to pass the examination.
 2. Classroom courses or programs must contain a final examination that is monitored by a qualified instructor from the providing organization. Final examination is a closed book examination taken and passed by an individual without assistance and personally monitored by a disinterested third party, who is not a minor, not related to the individual, his immediate supervisor, or his/her employee. A score of 70% or above is required for the examinee to pass the examination.
 3. Passage of a nationally recognized insurance test for a professional designation will be evidence of successful completion.
- C. The curriculum of the following designation programs satisfy the prelicensure education requirements of § 10-2-201, C.R.S., as follows:
1. The total curriculum required to obtain an AAI, ARM, CIC or CPCU designation shall be considered an approved prelicensing course for property and/or casualty lines of authority.
 2. The total curriculum required to obtain an RHU, CEBS, REBC or HIA designation is considered an approved prelicensing course for accident & health or sickness line of authority.
 3. The total curriculum required to obtain a CEBS, ChFC, CIC, CFP, CLU, FLMI or LUTCF designation is considered an approved prelicensing course for the life line of authority.

Individual courses within the curricula listed in paragraphs 1.a. through 1.c. require prior approval of the Division before being offered or advertised as a prelicensing course in Colorado.

Section 7 Course Hour Requirements

An applicant must successfully complete a prelicensure education course, training program in the following areas prior to taking a prelicensing examination for one of the five major lines of authority: life, accident & health or sickness, property, casualty, or personal lines. The required hours are as follows:

Property Insurance	50 hours
Casualty Insurance	50 hours

Combined Property & Casualty Insurance	50 hours
Life Insurance	50 hours
Health Insurance	50 hours
Personal Lines	50 hours

Three (3) hours of the fifty (50) required hours must be on insurance industry ethics. Three (3) hours of the fifty (50) required hours must be on Colorado insurance laws and regulations that are general in nature and not related to the specific line of business. Four (4) hours of the fifty (50) required hours must be on Colorado insurance laws and regulations that are specifically related to the line of business.

For those individuals applying for more than one line of authority, the three (3) hours of Ethics need only be taken once.

Section 8 Certification of Satisfactory Completion

- A. A certificate of completion shall be issued by the approved Course Provider to each person satisfactorily completing the course.
- B. The certificate of completion shall contain the student's full name, residential address, name of the approved course, beginning date, date of completion, name of the approved Course Provider, the original or electronic signature of the instructor and any other information that the Division deems necessary.
- C. The certificate of completion must have been earned prior to sitting for the state license examination. Proof of course completion must be transmitted electronically to the Division or its vendor. Such electronic transmission will satisfy the applicant's responsibility to transmit the certificate to the Division.

Section 9 Period of Validity for Prelicensing Course Certificates

Prelicensing certificates of completion shall be valid for a period of one (1) year from the date of completion. Prelicensing certificates of completion that are more than one (1) year old will not be accepted by the Division and students will be required to take an approved prelicensing course.

Section 10 Exemption from Prelicensing education

An individual who was previously licensed for the same line(s) of authority in a reciprocal state is exempt from prelicensing education. Such individual shall be required to certify knowledge of Colorado law applicable to insurance producers on a form approved by the Division. This exemption is only available if the person is currently licensed in the other state or if the application is received within ninety (90) days of the cancellation of the applicant's previous home state license and if the prior home state issues a certification that, at the time of cancellation, the applicant was in good standing in that state or the state's producer database records, maintained by the NAIC, its affiliates or subsidiaries, indicates that the insurance producer is or was licensed in good standing for the line(s) of authority requested.

Section 11 Compliance

The Division or its designee may conduct audits of producers, course providers, sponsoring organizations, or qualified instructors to verify that the approved courses are administered as filed with the Division of Insurance and to determine compliance with § 10-2-203, C.R.S., and this regulation.

Noncompliance with this regulation or the applicable provisions of Title 10 by institutions, instructors, or organizations conducting approved courses may result in termination of course approval.

Section 12 Enforcement

Noncompliance with this regulation may result in the imposition of any of the sanctions made available in the Colorado statutes pertaining to the business of insurance, or other laws, which include the imposition of civil penalties, issuance of cease and desist orders, and/or suspensions or revocation of license, subject to the requirements of due process.

Section 13 Severability

If any provision of this Regulation or the application thereof to any person or circumstance is for any reason held to be invalid the remainder of the regulation shall not be affected.

Section 14 Further Information and Submittals

Any submittals or questions should be directed to:

Licensing Administrator
Colorado Division of Insurance
1560 Broadway, Suite 850
Denver, Colorado 80202
Phone (303) 894-7499

Section 15 Effective Date

This regulation is effective October 15, 2012.

Section 16 History

Original Regulation 1-2-5, Effective January 1, 1995.
Emergency Regulation 01-E-4, Effective January 1, 2002
Temporary Regulation 02-E-2, Effective April 1, 2002
Amended Regulation 1-2-5, Effective May 1, 2002.
Amended Regulation 1-2-5, Effective March 31, 2007.
Amended Regulation 1-2-5, Effective February 1, 2008.
Emergency Regulation 12-E-09, Effective July 1, 2012.
Repealed and Repromulgated Regulation 1-2-5, Effective October 15, 2012.