

**WEST VIRGINIA**  
**SECRETARY OF STATE**  
**KEN HECHLER**  
**ADMINISTRATIVE LAW DIVISION**

Form #3

Do Not Mark in this Box

RECEIVED  
1995 JUL 28 PM 3:48  
OFFICE OF WEST VIRGINIA  
STATE SECRETARY

**NOTICE OF AGENCY APPROVAL OF A PROPOSED RULE  
AND  
FILING WITH THE LEGISLATIVE RULE-MAKING REVIEW COMMITTEE**

AGENCY: Insurance Commissioner TITLE NUMBER: 114

CITE AUTHORITY W. Va. Code § 33-2-10

AMENDMENT TO AN EXISTING RULE: YES  NO

IF YES, SERIES NUMBER OF RULE BEING AMENDED: \_\_\_\_\_

TITLE OF RULE BEING AMENDED: \_\_\_\_\_

IF NO, SERIES NUMBER OF NEW RULE BEING PROPOSED: Series 42

TITLE OF RULE BEING PROPOSED: Continuing Insurance Education

THE ABOVE PROPOSED LEGISLATIVE RULE HAVING GONE TO A PUBLIC HEARING OR A PUBLIC COMMENT PERIOD IS HEREBY APPROVED BY THE PROMULGATING AGENCY FOR FILING WITH THE SECRETARY OF STATE AND THE LEGISLATIVE RULE MAKING REVIEW COMMITTEE FOR THEIR REVIEW.

*B. Keith Huffman*  
General Counsel  
Authorized Signature

5.80



STATE OF WEST VIRGINIA  
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON  
Governor

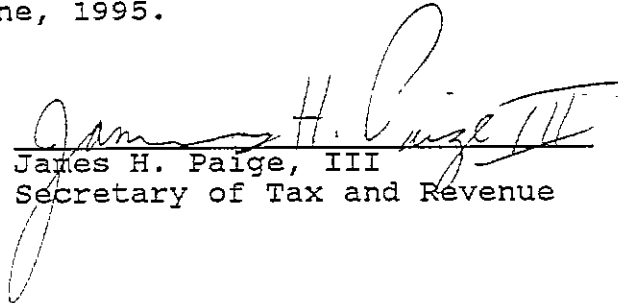
HANLEY C. CLARK  
Insurance Commissioner

CONSENT TO FILING OF RULE

To Whom It May Concern:

Pursuant to West Virginia Code § 5F-2-2(a)(12), the undersigned hereby grants consent to the filing of the following rule proposed by the Insurance Commissioner of the State of West Virginia: Title 114, Series 42, relating to "Continuing Insurance Education."

Signed this 26<sup>th</sup> day of June, 1995.

  
James H. Paige, III  
Secretary of Tax and Revenue

Insurance Commissioner  
Legislative Rule  
Title 114, Series 42

## CONTINUING INSURANCE EDUCATION

Title 114, Series 42

### STATEMENT OF CIRCUMSTANCES

In 1990, the West Virginia Legislature passed House Bill 4130 which added Section 2a to Article 12, Chapter 33 of the West Virginia Code and established a continuing education program for agents effective July 1, 1992. Amendments were made to Section 2a in the 1994 and 1995 legislative sessions.

The purpose of this proposed rule is to establish standards for continuing insurance education requirements and the sanctions to be imposed for failure to comply with such requirements.

APPENDIX B

FISCAL NOTE FOR PROPOSED RULES

Rule Title: Title 114, Series 42  
Continuing Insurance Education

Type of Rule:  Legislative  Interpretive  Procedural

Agency: INSURANCE COMMISSIONER

Address: Post Office Box 50540  
2019 Washington Street, East  
Charleston, West Virginia 25305-0540

1. Effect of Proposed Rule

	ANNUAL FISCAL YEAR				
	Increase	Decrease	Current	Next	Thereafter
ESTIMATED TOTAL COST	None				
PERSONAL SERVICES	None				
CURRENT EXPENSE					
REPAIRS AND ALTERNATIONS	None				
EQUIPMENT	None				
OTHER	None				

2. Explanation of above estimates:

The rule will be no additional fiscal impact upon state, local or federal government.

3. Objectives of these rules:

The objective of this proposed rule is to set forth the standards which the Insurance Commissioner deems necessary to carry out the provisions of Section 2a, Article 12, Chapter 33 of the West Virginia Code dealing with continuing education for persons holding an approved insurance agents

Rule Title: Continuing Insurance Education

4. Explanation of Overall Economic Impact of Proposed Rule.

A. Economic Impact on State Government.

None.

B. Economic Impact on Political Subdivisions; Specific Industries; Specific groups of Citizens.

None.

C. Economic Impact on Citizens/Public at Large.

None.

Date: 6/27/95

Signature of Agency Head or Authorized Representative

B. Keith Hoffman, General Counsel

TO: LEGISLATIVE RULE-MAKING REVIEW COMMITTEE

FROM: OFFICE OF THE INSURANCE COMMISSIONER

DATE: July 28, 1995

LEGISLATIVE RULE TITLE: Continuing Insurance Education  
(Title 114, Series 42)

1. Authorizing statute(s) citation W. Va. Code § 33-2-10

2. a. Date filed in State Register with Notice of Hearing:

June 27, 1995

b. What other notice, including advertising, did you give of the hearing?

None

c. Date of hearing(s): Comment period ended on July

27, 1995

d. Attach list of persons who appeared at hearing, comments received, amendments, reasons for amendments.

Attached \_\_\_\_\_ No comments received XX

e. Date you filed in State Register the agency approved proposed Legislative Rule following public hearing: (be exact)

July 28, 1995

f. Name and phone number of agency person to contact for additional information:

Donna S. Quesenberry

Associate Counsel

(304) 558-0401

3. If the statute under which you promulgated the submitted rules requires certain findings and determinations to be made as a condition precedent to their promulgation:

a. Give the date upon which you filed in the State Register a notice of the time and place of a hearing for the taking of evidence and a general description of the issues to be decided.

Not applicable

b. Date of hearing: Not applicable

c. On what date did you file in the State Register the findings and determinations required together with the reasons therefor?

Not applicable

d. Attach findings and determinations and reasons:

Attached Not applicable

Insurance Commissioner  
Legislative Rule  
Title 114, Series 42

**CONTINUING INSURANCE EDUCATION**

Title 114, Series 42

**BRIEF SUMMARY OF RULE**

This proposed rule sets forth the standards which the Insurance Commissioner deems necessary to carry out the provisions of Section 2a, Article 12, Chapter 33 of the West Virginia Code dealing with continuing education for persons holding an approved insurance agents license. The proposed rule also establishes requirements for continuing education courses and the sanctions to be imposed for failure to comply with continuing education requirements.

114CSR42

WEST VIRGINIA LEGISLATIVE RULE  
INSURANCE COMMISSIONER

SERIES 42  
CONTINUING INSURANCE EDUCATION

Section	
114-42-1.	General.
114-42-2.	Definitions.
114-42-3.	Applicability.
114-42-4.	Exemptions.
114-42-5.	Continuing Insurance Education Course Requirements.
114-42-6.	Agent Continuing Insurance Education Requirements.
114-42-7.	Proof of Completion.
114-42-8.	Disciplinary Process.
114-42-9.	Severability.

114CSR42

RECEIVED

WEST VIRGINIA LEGISLATIVE RULE 1995 JUL 28 PM 3:49  
INSURANCE COMMISSIONER

OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

SERIES 42  
CONTINUING INSURANCE EDUCATION

§ 114-42-1. General.

1.1. Scope. -- This legislative rule establishes standards for continuing insurance education requirements and the sanctions to be imposed for failure to comply with such requirements.

1.2. Authority. -- W. Va. Code § 33-2-10.

1.3. Filing Date. --

1.4. Effective Date. --

§ 114-42-2. Definitions.

2.1. "Agent" or "active insurance agent" means an individual licensed by the commissioner and appointed by an insurer with the commissioner to solicit, negotiate, effect or countersign insurance contracts on its behalf. For purposes of this rule, reference to the terms "agent" and "active insurance agent" shall include the term "solicitor" unless specifically excluded.

2.2. "Approved course" means a course or program of instruction approved by the commissioner and the Board of Insurance Agent Education for continuing insurance education credit.

2.3. "Biennium" means the two-year reporting period beginning July 1, 1992 and ending June 30, 1994, and every two-year period thereafter.

2.4. "Board" means the Board of Insurance Agent Education created and established pursuant to W. Va. Code § 33-12-2(f).

2.5. "Cancelled license" means a license to engage in the sale of insurance which has been voluntarily voided by request of the agent and approval by the commissioner.

2.6. "Certificate of course completion" means a document acceptable to the commissioner which signifies satisfactory completion of an approved course and reflects hours of credit earned.

2.7. "Commissioner" means the Commissioner of Insurance of the State of West Virginia.

Insurance Commission  
Legislative Rule  
Title 114, Series 42

2.8. "Inactive agent" is an individual who has had all contractual relationships with the insurer(s) or employing agent(s) terminated for any reason.

2.9. "Provider" means a person, corporation, professional association or its local affiliates, an insurance company or other entity which is approved by the commissioner and provides approved continuing insurance education to insurance agents.

2.10. "Solicitor" means an individual appointed and authorized by an agent to solicit and receive applications for insurance as a representative of such agent.

2.11. "Suspended agent" is an individual whose license to engage in the sale of insurance has been temporarily withdrawn until such time as the agent has successfully completed his or her continuing insurance education requirements.

§ 114-42-3.      **Applicability.**

3.1. This rule shall apply to solicitors and resident agents licensed by the commissioner to engage in the sale of one or more of the following types of insurance:

- a. Life insurance, annuity contracts, variable annuity contracts and variable life insurance;
- b. Sickness, accident and health insurance;
- c. All lines of property and casualty insurance;
- d. Preneed burial insurance contracts;
- e. All other lines of insurance for which an examination is required by the commissioner;
- f. Agents appointed on behalf of a licensed health maintenance organization; and
- g. Agents engaged in telemarketing insurance products.

Insurance Commission  
Legislative Rule  
Title 114, Series 42

§ 114-42-4. Exemptions.

4.1. Continuing education requirements shall not apply to:

a. Persons holding resident licenses for any kind or kinds of insurance for which an examination is not required by the commissioner;

b. Persons selling only credit life or credit accident and health insurance;

c. Any such limited or restricted license as the commissioner may exempt;

d. Inactive agents;

e. Agents whose licenses have expired pursuant to W. Va. Code § 33-12-18;

f. Agents who have voluntarily cancelled their licenses;

g. Non-resident agents; and

h. Adjusters.

4.2. Agents newly licensed on or after July 1 of the second year of a biennium shall be exempt from continuing insurance education requirements only for the biennium in which the license was issued.

§ 114-42-5. Continuing Insurance Education Course Requirements.

5.1. A continuing insurance education course shall not qualify for use as continuing insurance education credit unless it is filed with and approved by the commissioner and the board.

5.2. Any material change in a continuing insurance education course previously approved by the commissioner shall not be implemented until such change has been filed with and approved by the commissioner and the board.

5.3. Credit will not be given for any continuing insurance education course which is taken prior to the issuance of written approval by the commissioner and the board.

Insurance Commission  
Legislative Rule  
Title 114, Series 42

5.4. If a continuing insurance education course is taken more than once in a biennium, credit may be given only for the first time that course was taken and completed.

5.5. The commissioner may withdraw approval of a continuing insurance education course for any of the following reasons:

a. The continuing insurance education course teaching methods or course content have been materially changed without filing with or approval by the commissioner and the Board;

b. The continuing insurance education course provider has certified to the commissioner that an agent has satisfactorily completed the course when, in fact, the agent has not done so;

c. The continuing insurance education course provider fails to certify to the commissioner that the agent has satisfactorily completed the course when, in fact, the agent has done so; or

d. There is other good reason to withdraw approval of a continuing insurance education course.

5.6. In those instances where the commissioner has withdrawn approval for a continuing insurance education course, agents who successfully completed the course prior to the withdrawal of approval shall receive credit toward their continuing education requirements.

5.7. Scripted presentations for insurance agents involved in telemarketing insurance products pursuant to W. Va. Code § 33-12-2a shall be filed with the commissioner no later than the first day of each biennium or at least sixty (60) days prior to doing business in the state, whichever comes first.

§ 114-42-6. Agent Continuing Insurance Education Requirements.

6.1. The commissioner may, upon application for good cause shown, grant an agent an extension of time in which to meet the continuing insurance education requirements. Extensions may be granted for the following reasons:

Insurance Commission  
Legislative Rule  
Title 114, Series 42

a. The agent has been engaged in active military duty outside the state for at least twelve (12) months during the biennium;

b. The agent was or has become physically or mentally temporarily or permanently disabled by injury, illness or disease and was unable to perform adequately the duties required of him or her as a licensed insurance agent for a period of at least twelve (12) months during the biennium; or

c. Any such other reason as the commissioner may determine on a case-by-case basis as constituting good cause.

6.2. Requests for an extension of time in which to meet the continuing insurance education requirements should be submitted to the commissioner in writing at least thirty (30) days prior to the last day of the biennium and shall include an explanation together with reasonable verification of the hardship rendering an extension necessary.

6.3. The commissioner shall refuse to renew the appointments or issue new appointments for those lines of insurance specified in section 3 of this rule to any agent who does not satisfy the minimum continuing insurance education requirements.

6.4. Excess credit hours accumulated during one biennium may not be carried forward to satisfy the requirements of the following biennium.

6.5. Any agent who has not complied with the continuing insurance education requirements by the end of the biennium may thereafter obtain credits to be carried back to meet the requirements of the preceding biennium.

6.6. Any continuing insurance education credit obtained may only be used to satisfy the mandatory continuing insurance education requirements of one biennium.

6.7. Inactive agents and agents whose licenses have expired pursuant to W. Va. Code § 33-12-18 and who are exempt from pre-licensing education and examination pursuant to W. Va. Code § 33-12-2a must satisfactorily complete one-half of the continuing insurance education requirements of one biennium within the twelve (12) months immediately preceding his or her return to active status.

Insurance Commission  
Legislative Rule  
Title 114, Series 42

a. The continuing insurance education requirements completed for a return to active status shall not be counted toward the continuing insurance education requirements for the biennium in which active status is granted.

b. No agent shall be permitted to make use of a transfer from active to inactive status as a means to circumvent the mandatory continuing insurance education requirements.

c. No agent shall allow his license to expire as a means to circumvent the mandatory continuing insurance education requirements.

6.8. Inactive agents and agents whose licenses have expired pursuant to W. Va. Code § 33-12-18 and who are subject to pre-licensing education and examination shall not be required to complete continuing insurance education requirements for the biennium in which active status is granted.

6.9. Agents who have a cancelled license shall successfully complete pre-licensing education and examination before qualifying for a new license, and shall thereafter successfully complete the continuing insurance education credits required pursuant to Chapter 33, Article 12 of the West Virginia Code and the guidelines established by the board.

6.10. The commissioner shall recognize the continuing insurance education requirements obtained during the biennium through an approved provider of another state only in those instances where all the following conditions are met:

a. The agent is a former resident agent for whom a clearance letter was previously issued by the commissioner;

b. The agent is currently licensed in good standing in another state and has been so licensed since leaving West Virginia; and

c. The agent is in the process of establishing residency in West Virginia and has requested to have his or her resident agent's license reinstated.

Insurance Commission  
Legislative Rule  
Title 114, Series 42

§ 114-42-7. Proof of Completion.

7.1. Upon completion of a continuing insurance education course, the provider shall certify to the commissioner the names of all agents who satisfactorily completed the continuing insurance education course. Such certification shall be in the form prescribed by the commissioner.

a. The continuing education attendance roster shall be mailed by the provider to the commissioner within thirty (30) days after the continuing insurance education course is completed.

b. The provider of the continuing insurance education course shall furnish to the agent attending the course a certificate of completion and the agent shall retain a copy of the certificate for not less than three (3) years from the date the course is completed.

c. The provider shall retain a copy of the attendance roster for not less than three (3) years from the date the course is completed.

7.2. Providers of continuing insurance education courses and agents shall make available to the commissioner or his designee copies of certificates upon request of the commissioner.

§ 114-42-8. Disciplinary Process.

8.1. No later than sixty (60) days prior to the end of the biennium, the commissioner shall provide written notification to agents subject to continuing insurance education requirements advising them as to the status of their continuing education credits.

a. Such notification shall be provided to each agent either by personal delivery or by regular mail addressed to the agent at the last address appearing for the agent in the records of the commissioner.

b. Agents who sell only preneed burial insurance contracts shall file with the commissioner an affidavit, on a form to be provided by the commissioner, verifying that the agent is not engaged in the sale of any other type of insurance product.

Insurance Commission  
Legislative Rule  
Title 114, Series 42

c. Agents engaged solely in telemarketing insurance products by a scripted presentation which scripted presentation has been filed with and approved by the commissioner shall file an affidavit, on a form to be provided by the commissioner, verifying that the agent is not engaged in the sale of any other type of insurance product.

8.2. Any agent who does not anticipate pursuing the required continuing insurance education requirements may elect to cancel his or her license prior to the end of the biennium by submitting a written request to the commissioner. Cancellation of a license revokes any privilege the agent may have had to reinstate his or her license without completion of a pre-licensing insurance education course and examination.

a. Each request for cancellation of a license shall include the agent's name, address, agent license number, telephone number and reason for cancellation.

b. Cancellation of a license prohibits an individual from further transacting insurance in West Virginia without successful completion of pre-licensing education and examination.

8.3. Any agent who has not met the continuing insurance education requirements for the biennium may agree to a voluntary suspension of his or her license until such time as the continuing insurance education requirements have been met.

a. Each request for a voluntary suspension of a license shall include the agent's name, address, agent license number and telephone number.

b. An agent may not transact insurance in West Virginia during the suspension period.

8.4. Any individual failing to meet continuing insurance education requirements and who has not been granted an extension of time within which to comply, or who has submitted to the commissioner a false or fraudulent certificate of compliance therewith shall, after a hearing thereon, which hearing may be waived by such persons, be subjected to suspension of all licenses issued for any kind or kinds of insurance until such time as such persons have demonstrated to the satisfaction of the commissioner that they have complied with all the requirements of this regulation and all other laws applicable thereto.

Insurance Commission  
Legislative Rule  
Title 114, Series 42

a. "Suspension of all licenses issued for any kind or kinds of insurance" shall be interpreted to mean those licenses for which continuing insurance education is required pursuant to this rule and Chapter 33, Article 12 of the West Virginia Code.

b. The burden of proving successful completion of continuing insurance education courses is at all times upon the individual subject to the continuing insurance education requirements.

8.5. Upon suspension of an agent's license for failure to comply with the mandatory continuing insurance education requirements for the biennium, the commissioner shall:

a. Give notice of such suspension to the insurer(s) or employing agent with whom the agent has a contractual relationship; and

b. Cancel all appointments of the agent subject to disciplinary action.

8.6. An insurer or employing agent shall not renew or issue new appointments subject to continuing insurance education requirements to an agent whose license has been suspended for failure to comply with mandatory continuing insurance education requirements until such time as the agent's license has been reinstated and an application and appropriate fee has been submitted to and approved by the commissioner.

8.7. Neither cancellation of a license nor any disciplinary action levied as a result of non-compliance with continuing insurance education requirements shall prohibit an individual from receiving commissions which were vested and earned while that individual maintained an approved license.

§ 114-42-9. Severability.

9.1. If any provision of this rule or the application of this rule to any person or circumstances is for any reason held to be invalid, the remainder of the rule and the application of the provisions to other persons or circumstances shall not be affected by the holding.



STATE OF WEST VIRGINIA  
Offices of the Insurance Commissioner

Legal Division

GASTON CAPERTON  
Governor

HANLEY C. CLARK  
Insurance Commissioner

July 28, 1995

HAND DELIVERED

Ms. Judy Cooper, Director  
Administrative Law Division  
Office of Secretary of State  
State Capitol  
Charleston, West Virginia 25305

RECEIVED  
1995 JUL 28 PM 3:48  
OFFICE OF WEST VIRGINIA  
SECRETARY OF STATE

Dear Ms. Cooper:

Enclosed please find for filing one (1) copy of the following:

- (1) Notice of Agency Approval of a Proposed Rule and Filing with the Legislative Rule-Making Review Committee;
- (2) Fiscal Note;
- (3) Consent to Proposed Rule;
- (4) Brief Summary of the Rule;
- (5) Statement of Circumstances;
- (6) Legislative Rule-Making Review Committee Questionnaire; and
- (7) The agency-approved rule entitled "Continuing Insurance Education" (Series 42).

Please contact me if further information is required.

Very truly yours,

*Donna S. Quesenberry*  
Donna S. Quesenberry  
Associate Counsel

DSQ/sar  
Enclosures