# **02 DEPARTMENT OF PROFESSIONAL AND FINANCIAL REGULATION**

**031 BUREAU OF INSURANCE**

**Chapter 542: EDUCATIONAL REQUIREMENTS FOR INSURANCE PROFESSIONALS**

**Section 1. Authority and Purpose**

This Rule is adopted pursuant to 24-A M.R.S.A. §§ 212, 601(23), 1410(4)(A), 1483(2), and 1485 to establish standards and procedures for the approval and operation of courses and programs through which producers and consultants may satisfy applicable education requirements.

**Section 2. Applicability**

This Rule applies to all individuals licensed or seeking licensure as insurance producers or consultants in this State and to all persons offering, proposing to offer, or holding themselves out as offering education courses required by this State for insurance producers and consultants. Except for limited licenses for the sale of annuities, this Rule does not apply to individuals holding only limited producer licenses.

**Section 3. Definitions**

For purposes of this Rule, the following terms have the following meanings:

A. *Biennium* means the period commencing on the first day of the month following the individual’s birth month and concluding on the last day of the individual’s birth month two years later.

B. *Compliance Date* is the last date of the biennium concluding in an odd year for individuals born in an odd year or the last date of the biennium concluding in an even year for individuals born in an even year.

C*. Vendor* means the individual or legal entity responsible for a course of instruction, whether or not a fee is charged for enrollment.

**Section 4. Minimum Educational Requirements**

A. *Continuing education.* As a condition of continued licensure, individuals with resident producer or consultant licenses must earn at least 24 credit hours each biennium through satisfactory completion of courses approved pursuant to this Rule. Of the 24 credit hours, at least 3 must cover ethics.

B. *First biennium of licensure.* The continuing education requirement is waived for individuals who receive their license less than one year before their first compliance date.

C. *Limitations.* No credit may be earned for repeating a course previously taken during the same biennium. No continuing education credit may be earned for courses taken before the issuance of a license or for courses taken by a licensee to satisfy any applicable pre-licensing education requirement for an additional license authority. Credit hours may not be accumulated in advance for use in a subsequent biennium. Credit hours taken to remedy a deficiency in the preceding biennium do not count toward the current biennium’s requirement.

D. *Pre-licensing education or proof of experience for producer applicants.* To the extent pre-licensing is required by statute, applicants for insurance producer licenses must present to the examination administrator, at the time of examination, either:

(1) A certificate or certificates issued pursuant to Subsection 7(C) of this Rule demonstrating satisfactory completion of at least 16 credit hours within the preceding two years for each licensing authority requested; or

(2) A certificate of experience in a form approved by the Superintendent demonstrating sufficient work experience. Applicants must present verification by an employer that they have completed at least 6 months of relevant full-time equivalent experience within the preceding 2 years as an employee of an insurer or producer.

E. *Proof of experience for consultant applicants.* To the extent pre-licensing is required by statute, applicants for consultant licenses must present to the examination administrator a certificate of experience in a form approved by the Superintendent demonstrating sufficient work experience. Consultant applicants must certify that they have at least 5 years of relevant experience.

F. *Nonresidents.* Satisfaction of a nonresident producer's home state's continuing education requirements for licensed insurance producers constitutes satisfaction of this State's continuing education requirements, if the nonresident producer's home state recognizes the satisfaction of its continuing education requirements by producers from this State on the same basis.

**Section 5. Course and Vendor Approval**

A. *Approval required.* No person may falsely represent that a course of instruction has been approved for education credit in Maine or misrepresent the number of credit hours for which a course has been approved. A course which is intended to be given for credit may not be offered until the Superintendent has notified the vendor that the course has been approved.

B. *Fees for Vendor Registration and Course Submission.* As a condition of approval of its course or courses, each vendor shall pay a $100 vendor fee upon submission of its first course application and biennially thereafter on or before October 1 of each even-numbered year. Each registered vendor shall pay a $20 course fee upon submission of each course application or such other fees as may be provided in 24‑A M.R.S.A. § 601(23), as amended from time to time.

C. *Application process.* The Superintendent shall make available an application form for course approval. For each course, the vendor must file an application, accompanied by the course fee and, if applicable, the vendor fee, all course descriptions, outlines, promotional brochures, and other similar material which may be helpful in describing the course. If an examination is to be given, a copy of the examination(s) must be submitted, along with the proposed passing grade. If a course includes optional review sessions, the course description must include a description of the review sessions and any materials used in conducting or publicizing the review sessions.

D. *Scope of approval.* A course approval is valid only if it is given as described in the application. If the course is modified in any manner, it is considered a new course and may not be offered until a new application and fee have been submitted and the modified course has been approved in accordance with this Section.

E. *Review of applications.* Each application for course credit, other than applications for credit by reciprocity pursuant to Subsection I below, shall be reviewed by the Continuing Education Advisory Committee established pursuant to 24-A M.R.S.A. § 1481 and by the Superintendent of Insurance. The Superintendent may require the applicant to submit further information deemed necessary to evaluate the eligibility of the course for credit.

F. *Advisory Committee.* A member of the Advisory Committee must recuse himself or herself completely from the review of any application in which he or she has an interest or bias and may not use information obtained in the course of service on the Committee for personal gain or other improper purposes. Before taking office, each must file a written statement with the Superintendent agreeing to comply with the requirements of this Rule and fully disclosing any employment, ownership, or other affiliation with or interest in any continuing education vendor. Members must update their disclosure statements within 10 days after learning of any inaccuracy or change in circumstances.

G. *Standards for approval.* Courses which impart substantive knowledge relating to the field of insurance and are otherwise in compliance with this Rule will be approved for credit. Courses in related fields, such as other segments of the financial services industry, will be approved for credit to the extent that they are otherwise in compliance with this Rule and are shown to improve the abilities of students to act within the scope of their licenses. The following types of subject matter do not qualify for credit:

(1) Technical office skills, such as typing, speed reading, and the operation of office machines and equipment;

(2) Motivation, psychology, sales promotion, time or stress management, or communications;

(3) Office management, customer service, or the operation of the student’s business, if the course is general in focus and is not specifically directed towards the business of insurance; or

(4) Courses which primarily instruct the student in the promotion or sales of the products of a specific company. However, courses which primarily convey general insurance knowledge through instruction in the design and appropriate application of products of specific companies may be considered for credit.

H. *Notice of decision.* The Advisory Committee shall recommend to the Superintendent, within 30 days after the receipt of a complete application by the Superintendent, whether a course should be approved or disapproved, and if approved, the appropriate number of credit hours. For good cause, the Superintendent may extend the Committee’s review period to 60 days. The Superintendent shall make a final decision and send written notice of that decision to the applicant within 15 days after receiving the Committee’s recommendation.

I. *Reciprocity.* The Superintendent may enter into reciprocity agreements for course approval with insurance regulators in other jurisdictions that the Superintendent determines to have standards for approval that are substantially equivalent to Maine’s. An application for course credit by reciprocity shall be accompanied by the required fees, evidence satisfactory to the Superintendent that the course has been approved in a reciprocal jurisdiction, and such other information as the Superintendent may require in order to verify that the course is being conducted in compliance with this Rule.

J. *Term of approval.* Course approvals remain effective, unless terminated by request of the vendor, by order of the Superintendent, or termination of the vendor’s approved status.

**Section 6. Standards for Credit Hour Allowance**

A. *Classroom setting.* Courses given in a classroom setting shall qualify for one credit hour for each 50 minutes of instruction, up to a maximum of 24 hours. Registration periods, breaks, meal periods, social hours, and other similar periods shall not be counted as instructional time. Credit may not be given, unless attendance is verified by the instructor. A student attending part of a course may only receive credit for the number of hours actually attended. At the Superintendent’s discretion, a remote participation course offered through such media as interactive video or the Internet may be approved under this Subsection, if the Superintendent determines that attendance and participation can and will be verified in a manner equivalent to a classroom setting. At the Superintendent’s discretion, an instructor teaching an approved classroom course may earn credit on the same basis as a student attending the course.

B. *Multiple sessions.* For conferences, conventions, and other educational programs with multiple distinct sessions which may be attended separately, each session must be submitted for approval as a separate classroom setting course.

C. *Reduced credit courses.* Rating seminars and other courses with a mixture of qualifying and non-qualifying content may in the Superintendent’s discretion be approved for credit at a reduced rate reflecting the proportion of qualifying content.

D. *Home study.* Home study courses in which successful completion is demonstrated by passing an examination may be approved for the number of credit hours the Superintendent determines would be appropriate for the equivalent material if given in a classroom setting, up to a maximum of 16 hours, or a maximum of 24 hours if the course has a closed book examination that is proctored in a manner adequate to ensure the integrity of the testing process. Vendors using proctored examinations shall submit their procedures for proctoring as part of their application materials. Home study and classroom instruction may not be combined for credit in a single course.

E. *Review sessions.* If optional review sessions are included in connection with a course, the vendor must give written notice to students that the review session is optional and that no credit will be given for participation in a review session. A review session may not be conducted in a manner that gives students who attend the review course an unfair advantage in taking the examination, and examinations may not be distributed to students until any review session they are eligible to attend is finished.

F. *Length of course.* Course credit may not includefractional hours. The credit hours for a course shall be rounded down to the next whole number of hours, if a fractional credit hour would otherwise be assigned.

**Section 7. Records and Certification**

A. *Record retention.* Vendors shall maintain accurate records of their approved courses, which shall be subject to inspection by the Superintendent. Records must include, at a minimum, the date(s) a course was given, the location where applicable, the students’ names where applicable, license numbers of all students enrolled who have requested Maine education credit, and identification of those students who satisfactorily completed the course. Records for each session of instruction must be retained for at least four years after completion of instruction. Approved course applications and supporting documentation must be retained throughout the period for which a course is approved and for at least two years after course approval terminates, except that textbooks and other publications need not be physically retained by the vendor, if copies can be made available to the Superintendent through other means.

B. *Certification to the Superintendent.* Each vendor shall file with the Superintendent, within 30 days after the completion of each session of each approved course, a form prescribed by the Superintendent, specifying the date and the place the course was given. For home study courses, the vendor may file a separate form for each student or may consolidate information regarding students completing the course within the same month. The form shall list each student taking the course for continuing education credit by name and license number and shall state the number of credit hours earned. The signature of the vendor or the vendor’s approved representative shall certify that the information submitted is accurate and does not duplicate any credits already reported on another form.

C. *Certification to the Student.* At the time a student successfully completes an approved course, the vendor or the vendor’s approved representative shall issue to the student a signed certificate on a form, prescribed by the Superintendent, attesting to the number of credit hours earned. The certificate shall state the student’s name and license number.

D. *Electronic Certification.* With the approval of the Superintendent, documents required to be filed, written, or signed pursuant to this Rule may be furnished in electronic form verifiable by the Superintendent.

**Section 8. Failure to comply with educational requirement.**

A. *Civil Penalty*. Any licensee who does not complete the required credit hours by the compliance date shall pay a civil penalty of $25 for each credit hour that is not completed by that date, up to a maximum of $250, unless the Superintendent has granted the licensee an extension of time for good cause shown.

B. *License Suspension*. If a licensee has not completed required credit hours 60 days after the compliance date, the license is subject to suspension for a period of 60 days.

C. *License Termination.* If a licensee remains out of compliance at the conclusion of a suspension period, the license will be subject to termination.

**Section 9. Violations**

A. *Enforcement.* The Superintendent may impose disciplinary sanctions for violations of this Rule or other applicable law, as provided in 24-A M.R.S.A. §§ 12-A, 1417, and 1420-K and 10 M.R.S.A. § 8003(5).

B. *Deceptive practices.* No person may engage in deceptive practices in conducting a course subject to this Rule, including but not limited to:

(1) Awarding course credit in excess of the credit hours successfully completed;

(2) Disclosing examination contents before an examination is given or disclosing correct answers before an examination is completed; or

(3) Deceptive or misleading advertising.

C. *Class conducted outside term of approval.* If a vendor inadvertently conducts a class before it is approved, or after its approval has lapsed, the vendor shall pay a civil penalty of $250. Willful or reckless violations shall be subject to such sanctions as the Superintendent determines to be appropriate, based on the circumstances of the violation. The Superintendent may award credit retroactively to persons who have taken a class outside its term of approval, if the Superintendent determines that the class would have qualified for approval and that persons taking the course could reasonably have believed it was approved at the time they took it.

**Section 10. Transition**

Any licensee whose compliance date, as defined in Section 3, falls within the calendar year 2007 shall be required to complete 12 credit hours by December 31, 2007, in lieu of completing 24 credit hours by the licensee’s regular compliance date. Failure to complete 12 credit hours by December 31, 2007 will subject the licensee to the procedures specified in Section 8. After 2007, the regular compliance date and credit hour requirement calculated pursuant to this Rule will apply.

**Section 10. Effective Date**

This Rule is effective January 1, 2007.

STATUTORY AUTHORITY: 24-A M.R.S.A. §§ 212, 601(23), 1410(4)(A), 1483(2), and 1485

EFFECTIVE DATE:

March 5, 1999 – as Chapter 541

REPEALED AND REPLACED:

January 1, 2007 – as Chapter 542, filing 2006-518 and 519

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