

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 2150

SPONSOR: Senator Holzendorf

SUBJECT: Insurance Agents--Continuing Education

DATE: March 20, 2000 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------------|--------------------|-----------|------------------|
| 1. | <u>Emrich</u> | <u>Deffenbaugh</u> | <u>BI</u> | <u>Favorable</u> |
| 2. | _____ | _____ | _____ | _____ |
| 3. | _____ | _____ | _____ | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |

I. Summary:

Under current law, most licensed insurance agents are required to complete 28 hours of continuing education (CE) courses every 2 years as a requirement for retaining their state license. Continuing education courses are subject to approval by the Department of Insurance and may be completed either through classroom instruction or independent study. Any CE course that is completed through an independent study program must conclude with a monitored examination.

Senate Bill 2150 provides that licensed agents who earn CE requirements by completing an independent study program that is presented through “interactive, on-line technology” approved by the department would *not* be required to take a monitored exam. Specifically, if the on-line independent study course has “sufficient internal testing” to judge the comprehension of the student, the exam would not be required to be monitored.

This bill would not have a fiscal impact on state or local government.

This bill amends section 626.2815, Florida Statutes.

II. Present Situation:

Like many other professions, licensed insurance agents must complete continuing education (CE) courses (s. 626.2815, F.S.). Currently, most licensed insurance agents are required to complete 28 hours of CE every 2 years. Exceptions to this requirement include:

- An agent who has been licensed for 6 or more years must complete 20 hours every 2 years in the intermediate or advanced-level courses; and
- An agent who has been licensed for at least 25 years and is a CLU (Certified Life Underwriter) or a CPCU (Chartered Property and Casualty Underwriter) or has a Bachelor of Science degree in risk management or insurance with evidence of 18 or more semester

hours in upper-level insurance-related courses must complete 10 hours of continuing education courses every 2 years.

Section 626.2815, F.S., sets forth the approved courses that may be completed to meet CE requirements. Agents may receive credit towards the required number of hours for CE by completing any of the following courses: 28 hours of any part of the Life Underwriter Training Council Life Course Curriculum; 14 hours of any part of the Life Underwriter Training Council Health Course Curriculum; 28 hours of any part of the American College "CLU" diploma curriculum; 14 hours of any part of the Insurance Institute of America's program in general insurance; 28 hours of any part of the American Institute for Property and Liability Underwriters' Chartered Property Casualty Underwriter (CPCU) professional designation program; 21 hours of any part of the Certified Insurance Counselor program; and 21 hours of any part of the Accredited Advisor in Insurance program.

In addition, an insurance agent has the option of earning up to 14 hours of CE by completing insurance-related courses which are approved by the Department of Insurance and taught by an accredited college or university. A licensed insurance agent could also receive CE credit by completing a course taught by an authorized insurer, recognized agents' association, or insurance trade association.

Licensed agents also have the option of earning CE credit by taking an independent study program, subject to the approval of the department. Such program must conclude with a monitored exam, which means that agents take the exam while being supervised by an approved person. Persons approved to monitor exams range from principals of secondary education programs to representatives with national trade, agent, or adjuster associations. An independent study course may be computer-based, but it also is required to conclude with a monitored exam.

The department has the authority to refuse to renew or issue any new appointments of licensed agents who fail to complete their CE requirements. The department also has the authority to grant an extension of time to complete CE requirements, if good cause is shown.

Other professions with CE requirements, such as attorneys, architects and dentists, can do independent study of requisite materials without the need for a monitored examination. Certified public accountants, while not required to complete a monitored exam when completing CE requirements through independent study, currently may complete CE courses through on-line technology and are permitted to be tested on the material through an on-line test. Additionally, some states do not require monitored exams for CE independent study courses for licensed agents. For example, in California, licensed agents are permitted to take CE courses on-line and are not required to complete a monitored exam.

III. Effect of Proposed Changes:

Section 1: Amends s. 626.2815, F.S., to provide that monitored examinations are not required for an independent study program of instruction that is presented via interactive, on-line

technology that the Department of Insurance determines has sufficient internal testing to validate the student's full comprehension of the materials presented.

Under this bill, licensed agents who earn CE requirements by completing an independent study program that is presented on-line would not be required to take a monitored exam. Licensed agents would have the opportunity to complete CE requirements at a time convenient to them, without having to arrange time to sit for a monitored exam.

Section 2: Provides that the act shall take effect July 1, 2000.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Economic Impact and Fiscal Note:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

This bill could create a market for companies that wish to create on-line CE courses and tests for licensed insurance agents.

Licensed insurance agents could complete CE requirements by taking a course offered on-line. Additionally, licensed agents would have the opportunity to be tested at a time convenient to them, rather than having to arrange time to sit for a monitored exam.

C. Government Sector Impact:

The Department of Insurance would be required to review interactive, on-line CE courses and determine whether the course sufficiently tests a student's comprehension of the course materials.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.
