

PROPOSED AMENDMENT

HB 1332 # 9

DIGEST

Insurance producer education and continuing education commission. Establishes the insurance producer education and continuing education commission with appointments to the commission by the commissioner of the department of insurance. Repeals the insurance producer education and continuing education advisory council.

- 1 Page 2, between lines 25 and 26, begin a new paragraph and insert:
2 "SECTION 2. IC 27-1-15.7-4, AS AMENDED BY P.L.148-2017,
3 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
4 JULY 1, 2024]: Sec. 4. (a) The commissioner shall approve and
5 disapprove continuing education courses after considering
6 recommendations made by the insurance producer education and
7 continuing education advisory council ~~created~~ **commission established**
8 under section ~~6~~ **6.5** of this chapter.
9 (b) The commissioner may not approve a course under this section
10 if the course:
11 (1) is designed to prepare an individual to receive an initial
12 license under this chapter;
13 (2) concerns only routine, basic office skills, including filing,
14 keyboarding, and basic computer skills; or
15 (3) may be completed by a licensee without supervision by an
16 instructor, unless the course involves an examination process that
17 is:
18 (A) completed and passed by the licensee as determined by the
19 provider of the course; and
20 (B) approved by the commissioner.
21 (c) The commissioner shall approve a course under this section that
22 is submitted for approval by an insurance trade association or
23 professional insurance association if:
24 (1) the objective of the course is to educate a manager or an
25 owner of a business entity that is required to obtain an insurance
26 producer license under IC 27-1-15.6-6(d);

1 (2) the course teaches insurance producer management and is
 2 designed to result in improved efficiency in insurance producer
 3 operations, systems use, or key functions;

4 (3) the course is designed to benefit consumers; and

5 (4) the course is not described in subsection (b).

6 (d) Approval of a continuing education course under this section
 7 shall be for a period of not more than two (2) years.

8 (e) A prospective provider of a continuing education course shall
 9 pay:

10 (1) a fee of forty dollars (\$40) for each course submitted for
 11 approval of the commissioner under this section; or

12 (2) an annual fee of five hundred dollars (\$500) not later than
 13 January 1 of a calendar year, which entitles the prospective
 14 provider to submit an unlimited number of courses for approval
 15 of the commissioner under this section during the calendar year.

16 The commissioner may waive all or a portion of the fee for a course
 17 submitted under a reciprocity agreement with another state for the
 18 approval or disapproval of continuing education courses. Fees collected
 19 under this subsection shall be deposited in the department of insurance
 20 fund established under IC 27-1-3-28.

21 (f) A prospective provider of a continuing education course may
 22 electronically deliver to the commissioner any supporting materials for
 23 the course.

24 (g) The commissioner shall adopt rules under IC 4-22-2 to establish
 25 procedures for approving continuing education courses.

26 SECTION 3. IC 27-1-15.7-5, AS AMENDED BY P.L.81-2012,
 27 SECTION 6, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 28 JULY 1, 2024]: Sec. 5. (a) To qualify as a certified prelicensing course
 29 of study for purposes of IC 27-1-15.6-6, an insurance producer program
 30 of study must meet all of the following criteria:

31 (1) Be conducted or developed by an:

32 (A) insurance trade association;

33 (B) accredited college or university;

34 (C) educational organization certified by the insurance
 35 producer education and continuing education ~~advisory council;~~
 36 **commission;** or

37 (D) insurance company licensed to do business in Indiana.

38 (2) Provide for self-study or instruction provided by an approved
 39 instructor in a structured setting, as follows:

40 (A) For life insurance producers, not less than twenty (20)

- 1 hours of instruction in a structured setting or comparable
2 self-study on:
- 3 (i) ethical practices in the marketing and selling of
4 insurance;
 - 5 (ii) requirements of the insurance laws and administrative
6 rules of Indiana; and
 - 7 (iii) principles of life insurance.
- 8 (B) For health insurance producers, not less than twenty (20)
9 hours of instruction in a structured setting or comparable
10 self-study on:
- 11 (i) ethical practices in the marketing and selling of
12 insurance;
 - 13 (ii) requirements of the insurance laws and administrative
14 rules of Indiana; and
 - 15 (iii) principles of health insurance.
- 16 (C) For life and health insurance producers, not less than forty
17 (40) hours of instruction in a structured setting or comparable
18 self-study on:
- 19 (i) ethical practices in the marketing and selling of
20 insurance;
 - 21 (ii) requirements of the insurance laws and administrative
22 rules of Indiana;
 - 23 (iii) principles of life insurance; and
 - 24 (iv) principles of health insurance.
- 25 (D) For property and casualty insurance producers, not less
26 than forty (40) hours of instruction in a structured setting or
27 comparable self-study on:
- 28 (i) ethical practices in the marketing and selling of
29 insurance;
 - 30 (ii) requirements of the insurance laws and administrative
31 rules of Indiana;
 - 32 (iii) principles of property insurance; and
 - 33 (iv) principles of liability insurance.
- 34 (E) For personal lines producers, a minimum of twenty (20)
35 hours of instruction in a structured setting or comparable
36 self-study on:
- 37 (i) ethical practices in the marketing and selling of
38 insurance;
 - 39 (ii) requirements of the insurance laws and administrative
40 rules of Indiana; and

1 (iii) principles of property and liability insurance applicable
 2 to coverages sold to individuals and families for primarily
 3 noncommercial purposes.

4 (F) For title insurance producers, not less than ten (10) hours
 5 of instruction in a structured setting or comparable self-study
 6 on:

7 (i) ethical practices in the marketing and selling of title
 8 insurance;

9 (ii) requirements of the insurance laws and administrative
 10 rules of Indiana;

11 (iii) principles of title insurance, including underwriting and
 12 escrow issues; and

13 (iv) principles of the federal Real Estate Settlement
 14 Procedures Act (12 U.S.C. 2608).

15 (G) For annuity product producers, not less than four (4) hours
 16 of instruction in a structured setting or comparable self-study
 17 on:

18 (i) types and classifications of annuities;

19 (ii) identification of the parties to an annuity;

20 (iii) the manner in which fixed, variable, and indexed
 21 annuity contract provisions affect consumers;

22 (iv) income taxation of qualified and non-qualified
 23 annuities;

24 (v) primary uses of annuities; and

25 (vi) appropriate sales practices, replacement, and disclosure
 26 requirements.

27 (3) Instruction provided in a structured setting must be provided
 28 only by individuals who meet the qualifications established by the
 29 commissioner under subsection (b).

30 (b) The commissioner, after consulting with the insurance producer
 31 education and continuing education ~~advisory council~~, **commission**,
 32 shall adopt rules under IC 4-22-2 prescribing the criteria that a person
 33 must meet to render instruction in a certified prelicensing course of
 34 study.

35 (c) The commissioner shall adopt rules under IC 4-22-2 prescribing
 36 the subject matter that an insurance producer program of study must
 37 cover to qualify for certification as a certified prelicensing course of
 38 study under this section.

39 (d) The commissioner may make recommendations that the
 40 commissioner considers necessary for improvements in course

1 materials.

2 (e) The commissioner shall designate a program of study that meets
3 the requirements of this section as a certified prelicensing course of
4 study for purposes of IC 27-1-15.6-6.

5 (f) For each person that provides one (1) or more certified
6 prelicensing courses of study, the commissioner shall annually
7 determine, of all individuals who received classroom instruction in the
8 certified prelicensing courses of study provided by the person, the
9 percentage who passed the examination required by IC 27-1-15.6-5.
10 The commissioner shall determine only one (1) passing percentage
11 under this subsection for all lines of insurance described in
12 IC 27-1-15.6-7(a) for which the person provides classroom instruction
13 in certified prelicensing courses of study.

14 (g) The commissioner may, after notice and opportunity for a
15 hearing, do the following:

16 (1) Withdraw the certification of a course of study that does not
17 maintain reasonable standards, as determined by the
18 commissioner for the protection of the public.

19 (2) Disqualify a person that is currently qualified under
20 subsection (b) to render instruction in a certified prelicensing
21 course of study from rendering the instruction if the passing
22 percentage calculated under subsection (f) is less than forty-five
23 percent (45%).

24 (h) Current course materials for a prelicensing course of study that
25 is certified under this section must be submitted to the commissioner
26 upon request, but not less frequently than once every three (3) years.

27 SECTION 4. IC 27-1-15.7-6 IS REPEALED [EFFECTIVE JULY
28 1, 2024]. Sec. 6: (a) ~~As used in this section, "council" refers to the~~
29 ~~insurance producer education and continuing education advisory~~
30 ~~council created under subsection (b):~~

31 ~~(b) The insurance producer education and continuing education~~
32 ~~advisory council is created within the department. The council consists~~
33 ~~of the commissioner and fifteen (15) members appointed by the~~
34 ~~governor as follows:~~

35 ~~(1) Two (2) members recommended by the Professional Insurance~~
36 ~~Agents of Indiana.~~

37 ~~(2) Two (2) members recommended by the Independent Insurance~~
38 ~~Agents of Indiana.~~

39 ~~(3) Two (2) members recommended by the Indiana Association~~
40 ~~of Insurance and Financial Advisors.~~

- 1 (4) Two (2) members recommended by the Indiana State
2 Association of Health Underwriters:
- 3 (5) Two (2) representatives of direct writing or exclusive
4 producer's insurance companies:
- 5 (6) One (1) representative of the Association of Life Insurance
6 Companies:
- 7 (7) One (1) member recommended by the Insurance Institute of
8 Indiana:
- 9 (8) One (1) member recommended by the Indiana Land Title
10 Association:
- 11 (9) Two (2) other individuals:
- 12 (c) Members of the council serve for a term of three (3) years:
13 Members may not serve more than two (2) consecutive terms:
- 14 (d) Before making appointments to the council, the governor must:
15 (1) solicit; and
16 (2) select appointees to the council from;
17 nominations made by organizations and associations that represent
18 individuals and corporations selling insurance in Indiana:
- 19 (e) The council shall meet at least semiannually:
- 20 (f) A member of the council is entitled to the minimum salary per
21 diem provided under IC 4-10-11-2.1(b). A member is also entitled to
22 reimbursement for traveling expenses and other expenses actually
23 incurred in connection with the member's duties; as provided in the
24 state travel policies and procedures established by the state department
25 of administration and approved by the state budget agency:
- 26 (g) The council shall review and make recommendations to the
27 commissioner with respect to course materials, curriculum, and
28 credentials of instructors of each precicensing course of study for which
29 certification by the commissioner is sought under section 5 of this
30 chapter and shall make recommendations to the commissioner with
31 respect to educational requirements for insurance producers:
- 32 (h) A member of the council or designee of the commissioner shall
33 be permitted access to any classroom while instruction is in progress
34 to monitor the classroom instruction:
- 35 (i) The council shall make recommendations to the commissioner
36 concerning the following:
- 37 (1) Continuing education courses for which the approval of the
38 commissioner is sought under section 4 of this chapter:
- 39 (2) Rules proposed for adoption by the commissioner that would
40 affect continuing education:

1 SECTION 5. IC 27-1-15.7-6.5 IS ADDED TO THE INDIANA
2 CODE AS A NEW SECTION TO READ AS FOLLOWS
3 [EFFECTIVE JULY 1, 2024]: Sec. 6.5. (a) As used in this section,
4 "commission" refers to the insurance producer education and
5 continuing education commission established by subsection (b).

6 (b) The insurance producer education and continuing education
7 commission is established within the department. The
8 commissioner shall appoint the following seven (7) individuals:

9 (1) One (1) individual nominated by the Professional
10 Insurance Agents of Indiana or its successor organization.

11 (2) One (1) individual nominated by the Independent
12 Insurance Agents of Indiana or its successor organization.

13 (3) One (1) individual nominated by the Indiana Association
14 of Insurance and Financial Advisors or its successor
15 organization.

16 (4) One (1) individual nominated by the Indiana State
17 Association of Health Underwriters or its successor
18 organization.

19 (5) One (1) individual nominated by the Association of Life
20 Insurance Companies or its successor organization.

21 (6) One (1) individual nominated by the Insurance Institute of
22 Indiana or its successor organization.

23 (7) One (1) individual nominated by the Indiana Land Title
24 Association or its successor organization.

25 The commissioner shall solicit nominations from the entities set
26 forth in this subsection. The commissioner may deny to make the
27 appointment of an individual nominated under this subsection only
28 if the commissioner determines that the individual is not in good
29 standing with the department or is not qualified. If the
30 commissioner denies the appointment of an individual nominated
31 under this subsection, the commissioner shall provide the
32 nominating entity with the reason for the denial and allow the
33 nominating entity to submit an alternative nomination.

34 (c) A member of the commission serves for a term of three (3)
35 years that expires June 30, 2027, and every third year thereafter.
36 A member may not serve more than two (2) consecutive terms.

37 (d) The commissioner shall appoint a member of the commission
38 to serve as chairperson, who serves at the will of the commissioner.
39 The commission shall meet:

40 (1) at the call of the chairperson; and

- 1 **(2) at least semiannually.**
2 **The department shall staff the commission. Four (4) members**
3 **constitute a quorum of the commission.**
4 **(e) The commissioner shall fill a vacancy on the commission**
5 **with a nomination from the entity that nominated the predecessor**
6 **or the entity's succession. The individual appointed to fill the**
7 **vacancy shall serve for the remainder of the predecessor's term.**
8 **(f) A member of the commission is entitled to the minimum**
9 **salary per diem provided under IC 4-10-11-2.1(b). A member is**
10 **also entitled to reimbursement for traveling expenses and other**
11 **expenses actually incurred in connection with the member's duties,**
12 **in accordance with state travel policies and procedures established**
13 **by the Indiana department of administration and approved by the**
14 **budget agency. Money paid under this subsection shall be paid**
15 **from amounts appropriated to the department.**
16 **(g) The commission shall review and make recommendations to**
17 **the commissioner concerning the following:**
18 **(1) Course materials and curriculum and instructor**
19 **credentials for prelicensing courses of study for which**
20 **certification by the commissioner is sought under section 5 of**
21 **this chapter.**
22 **(2) Continuing education requirements for insurance**
23 **producers.**
24 **(3) Continuing education courses for which the approval of**
25 **the commissioner is sought under section 4 of this chapter.**
26 **(4) Rules proposed for adoption by the commissioner**
27 **concerning continuing education under this chapter.**
28 **(h) A member of the commission or a designee of the**
29 **commissioner is permitted access to any classroom while**
30 **instruction is in progress to monitor the classroom instruction."**
31 Renumber all SECTIONS consecutively.
 (Reference is to HB 1332 as printed January 25, 2024.)