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BULLETIN 2011-12

TO: All Licensed Resident Insurance Producers

FROM: Joseph G. Murphy, Commissioner of Insurance

DATE: June 3, 2011

RE: Review of Continuing Education Compliance of Resident Insurance Producers and Continuing Education Compliance Program

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The Division of Insurance ("Division") is issuing this Bulletin to notify resident insurance producers licensed in Massachusetts of the Division's review of their compliance with the Commonwealth's continuing education ("CE") requirements, and the Division's implementation of a compliance program for those producers who are deficient in CE credits.

Resident Insurance Producer CE Requirements

Massachusetts General Laws Chapter 175, § 177E and 211 CMR 50.00 require licensed resident insurance producers, unless otherwise exempt, to meet certain CE requirements. Specifically, resident insurance producers are required to complete a minimum of sixty (60) hours of instruction during the first thirty-six month period following the date of their original licensure, and forty-five (45) hours of instruction every thirty-six month period thereafter.

The Division contracts with Prometric, Inc. ("Prometric") to approve courses offered by CE providers in Massachusetts. Providers submit rosters of licensed resident insurance producers who complete approved courses directly to Prometric. Prometric maintains CE records of resident insurance producers for the Division, and licensees can check their CE credits on Prometric's website.

Division's CE Compliance Program

Prometric has informed the Division that a significant number of licensed resident insurance producers currently are deficient in meeting CE requirements for prior compliance periods. After reviewing this information in detail, the Division has determined that ***all licensed resident insurance producers shall have until December 31, 2011 to come into compliance with any outstanding CE requirements. The Division will not take any enforcement action against such non-compliant licensees during this time.***

All resident insurance producers who are deficient in CE credits will receive a letter from Prometric informing them of the number of CE credits they must complete by ***December 31, 2011*** to become compliant with the Commonwealth's CE requirements. The Division has calculated the outstanding CE credits due for non-compliant licensed resident insurance producers. Producers will fall into one of two groups based on their CE compliance date:

- For licensees whose current three-year CE compliance period ends on or before June 30, 2011, the Division will require the licensee to complete the number of CE credits outstanding from the licensee's most recent complete three-year CE compliance period.

- For licensees whose current three-year CE compliance period ends between July 1, 2011 and December 31, 2011, the Division will require the licensee to complete the number of CE credits outstanding from the current CE compliance period, as well as the immediately previous complete three-year CE compliance period.

For all non-compliant licensees, the letter from Prometric will identify the total number of CE credits that the producer must complete by December 31, 2011 to become compliant with CE requirements in accordance with this Bulletin. Regardless of the total number of CE credits owed, ***no non-compliant licensee will be required to complete more than 105 CE credits by December 31, 2011 as part of the Division's CE compliance program.***

Calculation Examples

Example – Group One:

Mr. Smith's most recently completed three-year CE compliance period runs from February 1, 2008 to January 31, 2011, and he has not completed any of the required 45 credits for this period. Mr. Smith also completed only 40 of the required 60 credits for the previous three-year CE compliance period, which ran from February 1, 2005 to January 31, 2008. Mr. Smith's current three-year CE compliance period runs from February 1, 2011 to January 31, 2014.

Mr. Smith must complete a total of 45 CE credits by December 31, 2011, which represents the 45 CE credits he owes from the three-year CE compliance period that runs from February 1, 2008 to January 31, 2011. Mr. Smith has until January 31, 2014 to complete the 45 CE credits due during the three-year CE compliance period that runs from February 1, 2011 to January 31, 2014.

Example – Group Two:

Ms. Jones' current three-year CE compliance period runs from August 1, 2008 to July 30, 2011, and she has completed only 20 of the required 45 CE credits for this period. Ms. Jones also completed only 15 of the required 45 credits for the previous three-year CE compliance period that ran from August 1, 2005 to July 30, 2008.

Ms. Jones must complete a total of 55 CE credits by December 31, 2011, which represents the 25 CE credits she owes from her current three-year CE compliance period that runs from August 1, 2008 to July 30, 2011, plus an additional 30 CE credits she owes from the immediately previous complete three-year CE compliance period that ran from August 1, 2005 to July 30, 2008. The Division's CE compliance program provides Ms. Smith from July 30, 2011 to December 31, 2011 to complete the 25 CE credits due from her current three-year CE compliance period.

Sanctions for Failure to Comply with CE Compliance Program

On or after January 1, 2012, the Division will again review the CE compliance status of all licensed resident insurance producers, and may take enforcement action against any licensee who remains out of compliance with CE requirements. Pursuant to M.G.L. c. 175, § 177E, any licensed resident insurance producer who fails to meet the CE requirements may be subject to suspension of his/her producer license for any and all lines of authority, until such time as the licensee has demonstrated that his/her outstanding CE requirements have been satisfied. Such producers may also be subject to monetary penalties. In evaluating a licensee's CE compliance for potential enforcement action, the Division will consider the licensee's total number of outstanding CE credits from January 1, 2004 to the present.

Questions regarding CE credits should be directed to Prometric at 1-800-742-8731 or www.prometric.com. Questions regarding this Bulletin should be directed to the Division's Producer Licensing Department at (617) 521-7794, Line 2.