BULLETIN 2014-06

TO: All Licensed Insurance Producers and Interested Parties

FROM: Joseph G. Murphy, Commissioner of Insurance

DATE: September 23, 2014

RE: New Continuing Education Requirements for Insurance Producers

This Bulletin is being issued to notify insurance producers licensed in Massachusetts of recent changes to the Commonwealth’s continuing education requirements. Chapter 139 of the Acts of 2014 (the “Act”) was enacted on June 17, 2014 and makes certain changes to M.G.L. c. 175, sec. 177E relating to continuing education requirements for insurance producers licensed in Massachusetts. The Act became effective on September 17, 2014.

The key changes made by the Act are as follows:

1) The date by which insurance producers licensed in Massachusetts must complete their continuing education requirements will now be the producer’s license renewal date.

2) Insurance producers must now complete a program of instruction or attend a seminar on ethics equivalent to 3 classroom hours of instruction. This new requirement, however, does not increase the overall number of continuing education credit hours an insurance producer must complete. It only requires that ethics training make up at least 3 hours of the total continuing education credits. The total number of required credit hours will remain unchanged.

3) A newly licensed insurance producer must complete 60 hours of continuing education credits prior to their initial license renewal date; otherwise a licensed producer must complete 45 such credit hours during the 36-month period prior to license renewal.

Any insurance producer who fails to complete the required number of continuing education credits by their license renewal date may be subject to:
• License non-renewal or suspension pending completion of the continuing education requirement; and/or
• Monetary penalties for noncompliance with the continuing education requirements.

Individual insurance producers who fail to comply with continuing education requirements, and who are named as a member and/or designated licensed responsible producer on a business entity license in Massachusetts, may also affect the license status for that business entity.

The continuing education requirements shall not apply to insurance producers licensed in Massachusetts prior to April 4, 1983, except for those producers who, although licensed prior to April 4, 1983, amended their licenses after that date by passing an insurance examination for an additional line or lines of insurance, and except for those persons who were unlicensed for more than one year immediately prior to April 4, 1983.

The Division of Insurance ("Division") recognizes that, due to the recent changes to M.G.L. c. 175, sec. 177E, some insurance producers may have a limited amount of time to comply with the continuing education requirements prior to their next renewal date. Because of this the Division has determined that any licensed insurance producer whose license is scheduled to be renewed between September 17, 2014 and December 31, 2014 shall have until January 5, 2015 to comply with the continuing education requirements. Failure to comply with the continuing education requirements by January 5, 2014 may result in the suspension of the producer’s license and/or the producer being subject to monetary penalties.

Questions regarding this Bulletin should be directed to the Division’s Producer Licensing Department at (617) 521-7794.