Chapter Ins 26

PRELICENSING EDUCATION

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Ins 26.01 Purpose. The commissioner of insurance finds that prelicensing education should be required of all insurance applicants for major lines of insurance. This requirement will assist in assuring that insurance agents receive needed information regarding insurance, insurance ethics, and sales practices.

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92.

Ins 26.02 Scope. This chapter applies to all applicants for insurance intermediary licenses in the state of Wisconsin unless exempted under s. Ins 26.04 (2).

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92.

Ins 26.03 Definitions. (1) "Accredited institution of higher education" means a law school accredited by the American bar association or other schools accredited by any accrediting commission or association which has been recognized by the U.S. Department of Education.

(2) "Certificate of prelicensing education" means a completed form as described in Appendix 5.

(3) "Credit course" means a course which can be applied toward an associate degree or higher degree at an accredited institution of higher education.

(3m) "Credit hour" means a period of study, included as a part of a course, consisting of no less than 50 minutes of classroom instruction, or 4500 words per credit hour for correspondence, self−study, or on−line courses.

(4) "Evidence of attendance" means an official transcript, student grade report, or commissioner−approved certificate showing satisfactory completion of educational programs or training sessions.

(5) "Exemption form" means a completed form OCI 11−026 (rev).

(6) "Noncredit program" means an educational program or training session which does not satisfy the requirements for an associate degree or higher education degree at the entity offering the educational program or training session.

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92; CR 05−111: cr. (3m) Register October 2006 No. 610, eff. 11−1−06; **CR 09−022: am. (1), (3m) and (5) Register August 2009 No. 644, eff. 9−1−09.**

Ins 26.04 Prelicensing requirement. (1) Each applicant for a property, personal lines, casualty, life, or accident and health insurance license shall complete, not more than one year earlier than the date tested, at least 20 hours of a preliminary educational program approved by the commissioner in accordance with this chapter.

(2) Minimum prelicensing educational requirements shall not apply to the following:

(a) Any applicant applying for a limited line insurance license for credit insurance, legal expense insurance, miscellaneous limited line, title insurance, crop, surety, or travel insurance.

(b) Any nonresident applying for a nonresident license in the state of Wisconsin.

(c) Any applicant who has completed a 2−year Wisconsin vocational school degree in insurance who submits evidence of attendance with the application.

(d) Any applicant who has completed a 4−year college degree in business with an insurance emphasis who submits evidence of attendance with their application.

(e) An applicant for a reinsurance intermediary−broker, reinsurance intermediary−manager or managing general agent limited−line license.

(f) An applicant applying for an original resident license who held a license within the previous 12 months as a resident insurance agent in another state for each of the lines applied for in Wisconsin is exempt from prelicensing education and examination requirements. The applicant must submit an original resident license application on form OCI 11−041R (rev), the appropriate fee and any documentation required in answer to the questions on the application.

(g) An applicant applying for an original resident license for the Life line of authority who provides satisfactory evidence of currently holding any of the following professional designations or successor designations: Certified Employee Benefit Specialist (CEBS), Chartered Financial Consultant (ChFC), Certified Insurance Counselor (CIC), Certified Financial Planner (CFP), Chartered Life Underwriter (CLU), Fellow of the Life Management Institute (FLMI), or Life Underwriter Training Council Fellow (LUTCF).

(h) An applicant applying for an original resident license for the Accident & Health line of authority who provides satisfactory evidence of currently holding any of the following professional designations or successor designations: Registered Health Underwriter (RHU), Certified Employee Benefit Specialist (CEBS), Registered Employee Benefits Counselor (REBC), or Health Insurance Associate (HIA).

(i) An applicant applying for an original resident license for the Property, Casualty, or Personal Lines P&C lines of authority who provides satisfactory evidence of currently holding any of the following professional designations or successor designations: Accredited Advisor in Insurance (AAI), Associate in Risk Management (ARM), Certified Insurance Counselor (CIC), or Chartered Property and Casualty Underwriter (CPCU).

(3) If an applicant is exempt under sub. (2), the applicant shall submit an exemption form with all supporting documentation on form OCI 11−026 (rev).

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92; emerg. cr. (2) (e), eff. 3−12−93; cr. (2) (e), Register, July, 1993, No. 451, eff. 8−1−93; am. (1), cr. (2) (f), Register, January, 1999, No. 517, eff. 2−1−99; emerg. am. (1), (2) (a) and (f) and (3), eff. 11−9−01; CR 01−074: am. (1), (2) (a) and (f); Register January 2002 No. 553, eff. 2−1−02; CR 05−111: am. (2) (f) and (3), cr. (2) (g) to (i) Register October 2006 No. 610, eff. 11−1−06; CR 07−096: am. (2) (a) Register March 2008 No. 627, eff. 4−1−08; **CR 09−022: am. (2) (a) and (f) Register August 2009 No. 644, eff. 9−1−09**.

Ins 26.05 Requirements for approval of certification of attendance at credit courses. (1) APPROVAL OF CREDIT COURSES. An accredited institution of higher education seeking

initial approval or reapproval of individual credit courses shall submit its application for course approval on the form provided by the commissioner. The commissioner may require the following information and materials:

(a) The name of the department in the school which is offering the courses;

(b) The method of instruction for each course;

(c) The course numbers and titles;

(d) Detailed outlines of each course with specific allocations of class room hours to each topic showing the minimum time allocated to the topics as described in appendices 1 through 4;

(e) A current school course catalogue;

(f) Evidence of prior approval or exemption by the Wisconsin educational approval board, if required by s. 38.50, Stats.; and

(g) Other information as specified by the commissioner.

(2) APPLICATION APPROVAL AND EXPIRATION OF APPROVAL. Upon receipt of an application for approval of a credit program, the commissioner shall determine if the application meets the requirements and if the program provides for instruction of appendices 1 to 4 in a manner required by this rule. The commissioner shall issue his or her decision on approval of an application no later than 60 days following the receipt of the completed application and all information required.

(2g) PROVIDER APPROVAL FEES. (a) The initial application fee to be paid by each licensed provider will be set through a competitive bid process not to exceed limits identified in s. 601.31 (1) (x) 1., Stats. The biennial regulation fee paid by each licensed provider will be set through a competitive bid process not to exceed limits identified in s. 601.31 (1) (x) 2., Stats. Wisconsin governmental bodies, such as universities and technical colleges, shall be exempt from these fees.

(2r) COURSE APPROVAL FEES. (a) The fee to be paid for each course submission by each provider shall be set through a competitive bid process not to exceed statutory limits identified in s. 601.31 (1) (x) 3., Stats.

(b) The fee to be paid for each course renewal by each provider shall not exceed 4 times the credit hour fee per course.

(3) EVIDENCE OF ATTENDANCE. The commissioner shall accept an official transcript or student grade report as evidence of satisfactory completion of credit courses.

(4) ATTENDANCE REQUIREMENTS. Students shall satisfy attendance requirements by successfully completing credit courses in accordance with the attendance requirements of the school. The commissioner shall not accept attendance at credit courses on an audit basis to satisfy the requirements of this chapter.

(5) INFORMATION REQUIRED. A credit program shall submit to the commissioner a computerized list giving the name, the last 4 digits of the social security number, home address, date of completion, type of class and date of birth in an electronic format specified by the commissioner of all persons satisfactorily completing credit prelicensing education programs. Submission of the course completion information will certify that the students listed personally attended the minimum required statutory classroom instruction. The computerized list shall be furnished to the commissioner within 10 days following the date of completion of credit prelicensing education programs.

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92.; cr. (5), Register, January, 1999, No. 517, eff. 2−1−99; correction in (1) (f) made under s. 13.93 (2m) (b) 7., Stats., Register September 2001 No. 549, eff. 10−1−01; CR 05−111: am. (5) Register October 2006 No. 610, eff. 11−1−06; correction in (1) (f) made under s. 13.93 (2m) (b) 7., Stats., Register October 2006 No. 610; **CR 09−022: am. (1) (f), (2) and (3), cr. (2g) and (2r) Register August 2009 No. 644, eff. 9−1−09**.

Ins 26.06 Requirements for approval of certification of attendance at noncredit programs. (1) APPROVAL OF NONCREDIT EDUCATIONAL PROGRAMS. An entity seeking initial approval or reapproval from the commissioner of an insurance noncredit program shall submit an application on the forms provided by the commissioner. The commissioner may require the following information and materials:

(a) Evidence of prior approval or exemption by the Wisconsin educational approval board, if required by s. 38.50, Stats.;

(b) A description of the qualifications of each instructor and the subject matter the instructor will be teaching. Instructors of noncredit programs shall be approved by the commissioner. Instructors shall meet the criteria set forth in sub. (2) (b);

(c) Listing of the noncredit program's organizational structure, registration policies, fee schedules and promotional material, for the school;

(d) Detailed outlines of the subject matter to be covered by the program with specific allocations of classroom, correspondence, self−study, or on−line hours to each topic meeting the minimum standards as set forth in appendices 1 through 4. This should include a description of textbooks, workbooks and other instructional materials. The operator of a noncredit program shall provide section A and section B. Each must be provided as a separate and discrete segment. Each section can be broken up into subsections as long as no other insurance−related instruction is provided by the noncredit program between the subsections;

(e) A description of the student record systems including a description of the methods for documenting attendance;

(f) The method used by the noncredit program for evaluating instructors and a summary of previous evaluations conducted;

(g) The time, date, and location of each noncredit classroom program. The commissioner may allow a noncredit program to apply for initial approval without specific information concerning dates, times, locations, and instructors, but the noncredit program shall provide this information in a format prescribed by the commissioner no later than 30 days prior to the start of the course;

(h) An original signature of the person authorized to sign certifications; and

(i) Other information as specified by the commissioner.

(2) CRITERIA FOR APPROVAL. In order to be approved, noncredit programs shall:

(a) Not discriminate against anyone on the basis of sex, race, religion, age, physical disability, sexual orientation, or national origin in their educational programs;

(b) Document that instructors are experienced and qualified in insurance and satisfy at least one of the following criteria:

1. An instructor who is or has been engaged in the practice of teaching insurance courses at an accredited institution of higher education for at least the last 3 years;

2. A properly licensed insurance intermediary for at least the past 5 years and demonstrates to the commissioner that he or she is of good character and has the knowledge and breadth of experience to instruct the scope of the subject area for which he or she will be responsible;

3. A member of the state bar in at least one state or the District of Columbia who is engaged in the field of insurance−related law; or,

4. A Life instructor who holds any of the following professional designations or successor designations: Certified Employee Benefit Specialist (CEBS); Chartered Financial Consultant (ChFC); Certified Insurance Counselor (CIC); Certified Financial Planner (CFP); Chartered Life Underwriter (CLU); Fellow of the Life Management Institute (FLMI); or Life Underwriter Training Council Fellow (LUTCF);

5. An Accident & Health instructor who holds any of the following professional designations or successor designations: Registered Health Underwriter (RHU); Certified Employee Benefit Specialist (CEBS); Registered Employee Benefits Counselor(REBC); or Health Insurance Associate (HIA);

6. A Property, Casualty, or Personal Lines P&C instructor who holds any of the following professional designations or successor designations: Accredited Advisor in Insurance (AAI); Associate

in Risk Management (ARM); Certified Insurance Counselor (CIC); or Chartered Property and Casualty Underwriter (CPCU); or

7. A person who, in the judgment of the commissioner, is qualified to teach a session by reason of exemplary experience or education in the lines of insurance being taught.

(c) Show that information provided to comply with sub. (1) is likely to support a comprehensive and accurate treatment of the subjects required in each section.

(2g) PROVIDER APPROVAL FEES. (a) The initial application fee to be paid by each licensed provider will be set through a competitive bid process not to exceed limits identified in s. 601.31 (1) (x) 1., Stats. The biennial regulation fee paid by each licensed provider will be set through a competitive bid process not to exceed limits identified in s. 601.31 (1) (x) 2., Stats. Wisconsin governmental bodies, such as universities and technical colleges, shall be exempt from these fees.

(2r) COURSE APPROVAL FEES. (a) The fee to be paid for each course submission by each provider shall be set through a competitive bid process not to exceed statutory limits identified in s. 601.31 (1) (x) 3., Stats.

(b) The fee to be paid for each course renewal by each provider shall not exceed 4 times the credit hour fee per course.

(3) APPLICATION APPROVAL AND EXPIRATION OF APPROVAL. Upon receipt of an application for approval of a noncredit program, the commissioner shall determine if the application meets the requirements and if the program provides for instruction of appendices 1 to 4 in a manner required by this rule. The commissioner shall issue his or her decision on approval of an application no later than 60 days following the receipt of the completed application and all information required. Noncredit program approval shall expire on every August 30 of the next odd numbered year after approval. Each school shall submit an application for approval for the next period to the commissioner on or before July 15 of each odd numbered year.

(4) NOTIFICATION. Noncredit programs shall promptly notify the commissioner of any information filed with the commissioner which has changed.

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92; correction in (1) (e) made under s. 13.93 (2m) (b) 7., Stats., Register, June, 1997, No. 498; am. (2) (b) 3., r. (2) (b) 4., Register, January, 1999, No. 517, eff. 2−1−99; correction in (1) (a) made under s. 13.93 (2m) (b) 7., Stats., Register September 2001 No. 549, eff. 10−1−01; CR 01−074: am. (3), Register January 2002 No. 553, eff. 2−1−02; correction in (1) (a) made under s. 13.93 (2m) (b) 7., Stats., Register October 2006 No. 610; **CR 09−022: am. (1) (intro.), (a), (d) and (g), cr. (2) (b) 4. to 7., (2g) and (2r) Register August 2009 No. 644, eff. 9−1−09**.

Ins 26.07 Evidence of attendance for noncredit classroom, correspondence, self−study, or on−line programs. (1) (a) Noncredit classroom, correspondence, self−study, or on−line programs shall provide an original certificate of prelicensing education to each student upon satisfactory completion of a noncredit program. Additional individual certificates of prelicensing education shall be provided to a student upon request and at no additional charge.

(b) Certificates of prelicensing education shall contain the minimum wording and format as prescribed by appendix 5.

(c) Certificates of prelicensing education shall be signed by authorized persons whose signatures are on file with the commissioner.

(d) The date indicated on certificates of prelicensing education shall be the date of the last class for section B in appendices 1 to 4 attended by the student.

(e) Certificates of prelicensing education shall be provided to each student in hard copy or electronically.

(f) The student needs to take section A of appendices 1 to 4 only once. If the student takes only section B of the requirements, the instructor shall verify that the student completed section A at any approved prelicensing school within one year before issuing a certificate.

(g) Certificates shall only be given to a student after the instructor verifies the identity of the student using a picture identification card. If the instructor uses a form of identification other than Wisconsin driver's license or Wisconsin ID card, the instructor shall note the form of identification used on the certificate of prelicensing education.

(2) A noncredit program shall submit to the commissioner a computerized list giving the name, the last 4 digits of the social security number, home address, date of completion, type of class and date of birth in an electronic format specified by the commissioner of all persons satisfactorily completing noncredit classroom, correspondence, self−study, or on−line prelicensing education programs. Submission of the course completion information will certify that the students listed personally attended the minimum required statutory class room instruction or completed all correspondence requirements identified in s. Ins 26.09. The computerized list shall be furnished to the commissioner within 10 days following the date of completion of noncredit prelicensing education programs.

(3) The operator of a noncredit program shall maintain attendance records for 3 years.

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92; am. (2), Register, January, 1999, No. 517, eff. 2−1−99; CR 05−111: am. (1) (f) and (2) Register October 2006 No. 610, eff. 11−1−06; **CR 09−022: am. (title), (1) (a), (e) and (2) Register August 2009 No. 644, eff. 9−1−09.**

Ins 26.08 Attendance requirements for noncredit programs. Students shall attend all of the required hours and receive all the required contents before a certificate of prelicensing education may be granted for satisfying any of the requirements in s. Ins 26.04. Noncredit classroom programs may make arrangements for make−up classes covering the same material as the class missed to enable students to meet the educational requirements. All prelicensing requirements must be completed prior to taking the licensing examination.

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92; **CR 09−022: am. Register August 2009 No. 644, eff. 9−1−09.**

Ins 26.09 Correspondence courses. (1) Correspondence, self−study, and on−line courses may be approved if they meet the criteria under s. Ins 26.06 and the subsequent course requirements in appendices 1 to 4, and include successful completion of a certified proctored examination.

(2) The examination shall consist of a minimum of 25 questions for section A and 50 questions each for Section B of each line of authority identified in ch. Ins 26, appendices 1 to 4. A passing score of 70% or greater is required on each examination.

(3) An approved proctor is an impartial, disinterested third party or currently licensed agent with no family or financial relationship to the student. The proctor shall verify the agent's identity and complete an affidavit supplied by the approved provider testifying that the agent received no outside assistance. Membership in a professional association or organization does not constitute a financial relationship.

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92; correction made under s. 13.93 (2m) (b) 7., Stats., Register, June, 1997, No. 498; **CR 09−022: r. and recr. Register August 2009 No. 644, eff. 9−1−09.**

Ins 26.10 Investigation and review. (1) The commissioner or a duly appointed representative shall investigate and review all applications and may investigate or examine previously approved programs, courses, and instructors. The method and timing of the reviews shall be determined by the commissioner in each case and may consist of the following:

(a) Consideration of information available from state, federal, or local agencies, private organizations or agencies, or interested persons.

(b) Conferences with officials, representatives, and former students of the school involved.

(c) A public hearing respecting the noncredit program, course, or instructor involved, with adequate written notice to the school, instructor, or both.

(d) Investigation by visitation without notice to the noncredit program.

(e) Information furnished by the applicant with its application for approval.

(f) Any other information the commissioner or representative deems relative to the investigation.

(2) In addition to investigation or examination upon its own initiative, the commissioner may investigate or examine any noncredit program or instructor upon receipt of a complaint from any person.

(3) The commissioner may examine the program under ss. 601.43 and 601.44, Stats., and bill the costs to the program under s. 601.45, Stats.

(4) If, after investigation or examination, the commissioner denies or deems it proper to withdraw its approval of any program, course, or instructor, written notification shall be given with reasons for such action. The denial constitutes an order pursuant to s. 601.62 (3) (a), Stats., and the noncredit program or instructor may request a hearing before the commissioner under that section.

Note: A free copy of each form referenced in this chapter may be obtained from the Office of the Commissioner of Insurance, P. O. Box 7872, Madison, Wisconsin 53707−7872 or on the office of the commissioner of insurance website at http://oci.wi.gov/.

History: Cr. Register, June, 1992, No. 438, eff. 7−1−92.