



# South Carolina Department of Insurance

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## Bulletin Number 2002 - 01 Issued upon January 29, 2002

To: All Licensed Insurers, Licensed Agents, Continuing Insurance Education Course Sponsors, Instructors and Proctors operating in the State of South Carolina

From: Ernst N. Csiszar, Director of Insurance 

Subject: Changes to South Carolina Code Ann. Regulation 69-50 Continuing Insurance Education

### I. Purpose

The purpose of this Bulletin is to provide all licensed Insurers, licensed agents, continuing insurance education sponsors, approved instructors, and approved proctors with updated information concerning recently adopted legislative changes to Regulation 69-50 that became law effective January 15, 2002. Only those Sections of Regulation 69-50 involving significant change have been discussed in this Bulletin. Those changes are as follows:

### II. Scope

Subsection (A)(4) of this section has been changed to clarify the exemption to continuing education requirements. Licensed agents reaching the age of fifty-five, for any lines of authority for which they have a minimum of twenty years of continuous licensure are exempt from continuing education requirements.

Subsection (B) has been changed to require that agents claiming exemption under subsection (A) (1)-(5) must certify in writing to the continuing education administrator by May 1 of the biennial compliance year such exemption on a form prepared by the continuing education administrator. Further, if the agent fails to file this form by the May 1, deadline, then the agent must comply with the continuing insurance education requirements as outlined under South Carolina Code Ann. Section 38-43-106.

### III. Definitions

Subsection (6) "Self-study Classroom Hour" has been amended to include distance learning, intranet, Internet, CD Rom and any other electronic means of information communication as acceptable alternatives to satisfying continuing education requirements in South Carolina.

Subsection (8) is a completely new section. Agents completing self-study courses are required to submit to an unassisted proctored competency examination as defined in this Regulation. Objective examinations must include a minimum of fifty (50) questions.

Subsection (9) has been amended to further clarify the definition of an approved instructor. This definition is self explanatory and requires no other comments at this time.

Subsection (10) defines for the first time the meaning of “Approved Proctor.” Again, the definition is self-explanatory and warrants no additional explanation at this time.

Subsection (14) is changed to reflect that the term “Commissioner” is the same as “Director.” “Director” means the Director of the Department of Insurance or his designee.

#### **IV. Course Approval**

The changes to this section are self-explanatory. Courses submitted for approval must include a detailed outline with a copy of the course material. Incomplete submissions will be disapproved and the application will be returned to the sponsor. Once approved, courses may be offered without additional notice subject to Section IX (D) as long as the course content is unchanged.

Subsection (B) of this section sets forth an expiration date of all approved courses. Courses will be approved for a period of not more than three (3) years from the approval date. Sponsors may reapply for course approval after three years.

#### **V. Instructor Approval**

Section V is a new section. It has added key qualifying criteria that must be met before an individual can receive approval as an instructor. Instructors must be approved by the Department of Insurance before teaching any course, or the course attendees will not receive credit. The application packet and a nonrefundable filing fee of \$25.00 must be submitted by an approved sponsor thirty (30) days prior to the instructor teaching any course. Further details of the changes can be found in Section V of this regulation.

#### **VI. Proctor Approval**

This is a new section dedicated to “Proctor Approval”. Key qualifying criteria have been added that must be met before an individual may receive approval as a proctor. Proctors must be approved by the Department of Insurance before proctoring any examination. The application packet must be submitted with a non-refundable filing fee of \$100.00 thirty (30) days in advance of monitoring any examination. Proctors must return all examination material to the sponsor within two business days following the completion of the examination. Additional details regarding the requirements for approval of an approved proctor are contained in Section VI of this regulation.

#### **VII. Certification**

This section has been amended to clarify the timetable in which approved sponsors must submit class rosters to the continuing education administrator. Rosters must be properly completed, typewritten or computer generated and contain the names and identification numbers of agents who completed all sessions of the approved course, or who successfully completed the competency examination for courses approved for self-study. The sponsor must examine the course completion records to determine the integrity of the grades and courses reported to the Continuing Education Administrator. Incomplete or inaccurate rosters will be returned to the sponsor. Subsequent submissions of any roster that has been returned must include a letter from the sponsor explaining corrections made.

In addition, approved sponsors of approved courses are required to provide a certification of course completion to each individual who successfully completes an approved course or an approved self-study course within thirty (30) business days after the course is completed or the competency examination results are received.

Carry forward continuing education hours have changed. Effective upon the May 1, 2002 continuing education compliance deadline, agents who accumulate hourly credits in excess of the continuing insurance education requirements may apply these additional credits to the next biennial continuing insurance education period. No more than twelve (12) additional credit hours in the line of authority in which they are earned may be carried forward to the next biennial continuing insurance education period.

### **VIII. Forms**

This section is self-explanatory and warrants no additional comments at this time.

### **IX. Advertising**

Subsection (D) is an entirely new section. Classroom course schedules must be submitted by the sponsor to the Department of Insurance fifteen (15) days in advance of the course or seminar being presented. The course schedule must include the following information: (1) name of the approved course(s) (2) name(s) of the approved instructor(s) teaching the course(s), (3) date, time, and place where the course(s) is being presented. Failure to comply with these requirements may warrant administrative action being taken by the Department of Insurance.

### **X. Fees**

This section has been amended to clarify the action the Department of Insurance will undertake in those cases when an agent fails to comply with the continuing education fee payment deadline. The initial late submission fee allows an agent the opportunity to comply with statute without the need to sign a consent order, as long as the late fee is paid by 5:00 P.M. on June 1 of the compliance year. Agents who fail to pay the continuing education record-keeping fee by the compliance deadline must pay to the Department of Insurance, for submission to the State's General Fund, a late fee of one hundred and fifty dollars, in addition to paying the continuing education record-keeping fee to the Continuing Education Administrator. Agents who fail to pay the late fee and the continuing education record keeping fee by 5 P.M. on June 1 of the compliance year will be subject to an administrative fine, payment of the late fee, and the continuing education record keeping fee. Failure to pay the administrative fine, late fee and continuing education record keeping fee by 5 P.M. on July 1 of the compliance year will result in denial of continuing insurance education certification and non-renewal of the licenses held as of 5 P.M. on September 30, of the compliance year.

### **XI. Non-Compliance**

This section clarifies the authority of the Department to apply fines when instructors, proctors, and approved sponsors fail to comply with South Carolina law. Specifically, the failure of approved sponsors, instructors and proctors to comply with the provisions of Section 38-43-106 or with the provisions of Regulation 69-50 may result in a fine of not less than \$1,000.00, suspension of approval or termination of approval status.

### **XII. Extension**

This section has been amended to clarify the process of obtaining an extension to complete continuing education requirements.

### **XIII. Hardship**

In order to qualify for a hardship extension, an agent first must have received an extension as provided in Section XII of this Regulation. Hardship extension requests will only be granted for good cause shown and subject to verification by the Continuing Education Administrator.

#### **XIV. Administration of Continuing Education Requirements**

The section is self-explanatory.

A copy of Regulation 69.50 and a copy of all the new Continuing Education applications may be obtained from the Department website at <http://www.state.sc.us/doj/>