



South Carolina Department of Insurance

MARK SANFORD
Governor

SCOTT H. RICHARDSON
Director of Insurance

BULLETIN NUMBER 2007-06

TO: All Insurers and Resident Producers
Licensed and Operating in the State of South Carolina

FROM: Scott H. Richardson, CPCU *SHR 7/12/07*
Director of Insurance

SUBJECT: Continuing Education - Ethics Course Requirement

DATE: July 12, 2007

South Carolina Code Ann. Section 38-43-106 outlines the overall requirements for producer compliance with continuing education in the state of South Carolina. Specifically, South Carolina Code Ann. Regulation §69-50 II. C. provides that the Director of Insurance may use his discretion to mandate certain continuing education courses to be taken by producers to meet continuing education compliance. To make certain that ethical standards are being consistently practiced in the marketplace, and to ensure that the South Carolina Department of Insurance is uniform with other states in its administration of producer licensing standards adopted by the National Association of Insurance Commissioners, the Department will require that ethics training be included as part of the biennial Continuing Educational requirements.

The purpose of this Bulletin is to notify all resident South Carolina insurance producers who must comply with continuing education requirements of their responsibility to complete three hours of ethics course training by May 1, 2008, and each biennial compliance period thereafter. Producers who fail to meet this requirement for any compliance period may have their license canceled. An approved ethics course taken prior to May 2, 2006 is not eligible for ethics course credit.

Questions and Answers

A list of frequently asked questions and answers is attached to this bulletin for your assistance. If your question is not answered, please send your question to:

Mary Ann O'Brien
Manager, Individual Licensing and Education
agntmail@doi.sc.gov
803-737-6193

Frequently Asked Questions and Answers
Continuing Education
Ethics Course

- Q. **When will the new the new ethics course requirements take effect?**
- A. Effective with the May 1, 2008 biennial producer continuing education (CE) compliance period, all resident producers who must comply with CE requirement must complete a three hours ethic's course.
- Q. **Is this three hours course requirement considered a part of the 24 hours of CE credit?**
- A. Yes.
- Q. **What if I took an ethics course three and one half years ago, will that count?**
- A. Any course taken prior to May 1, 2005 is not eligible. The Three hours course must have been completed between May 1, 2005, and May 1, 2008.
- Q. **Are exempt producers required to complete an ethics course?**
- A. If a producer who is exempt from CE is actively selling, negotiating, or soliciting insurance products, they are encouraged to complete a three hours ethics course biennially.
- Q. **What happens if a producer fails to comply with an ethics course requirement?**
- A. That producer may have his/her license canceled. In order to regain licensing privileges, the producer must take and pass the producer licensing examination.
- Q. **If a producer completed a six hour course that contained three hours of ethics training, how can the producer provide proof the course contained three hours of ethics?**
- A. If the course has not been approved by the Department as an Ethics course, then credit for ethics may not be granted.
- Q. **If a producer completed a six hour course approved as ethics, will three hours of ethics credit be carried over to the next compliance period?**
- A. A producer must complete three hours of credit each compliance period. The three hours of ethics will not carryover to the next compliance period.