



ARKANSAS INSURANCE DEPARTMENT
LEGAL DIVISION
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August 22, 2003

BULLETIN NO. 08-2003

TO: LICENSED INSURANCE COMPANIES, LICENSED HEALTH MAINTENANCE ORGANIZATIONS, LICENSED HOSPITAL AND MEDICAL SERVICE CORPORATIONS, LICENSED FARMERS MUTUAL AID ASSOCIATIONS AND COMPANIES, LICENSED FRATERNAL BENEFIT SOCIETIES, AUTO CLUBS OR ASSOCIATIONS, RISK RETENTION GROUPS, PURCHASING GROUPS, SURPLUS LINE COMPANIES,

LICENSED RESIDENT INSURANCE AGENCIES AND INDIVIDUAL PRODUCERS, MANAGING GENERAL AGENTS, REGISTERED CONTINUING EDUCATION COURSE PROVIDERS, AGENT AND COMPANY TRADE ASSOCIATIONS AND OTHER INTERESTED PARTIES

FROM: ARKANSAS INSURANCE DEPARTMENT

RE: MORATORIUM ON CONTINUING EDUCATION REQUIREMENTS AND EXTENSION OF TIME FOR COMPLETION OF SAID REQUIREMENTS UPON RETURN, FOR RESIDENT ARKANSAS INSURANCE PRODUCERS ON ACTIVE MILITARY DUTY

In a strong show of support for insurance producers actively serving the United States as part of Operation Iraqi Freedom, the National Association of Insurance Commissioners (NAIC) has adopted the "Resolution to Waive Continuing Education Requirements for Producers on Active Duty in Operation Iraqi Freedom." As part of this action, the NAIC encouraged state insurance regulators to use all legal and administrative means available to waive or otherwise temporarily suspend from operation any applicable continuing education requirements for insurance producers recently called to active military duty. The resolution validates this temporary moratorium on continuing education requirements until these individuals can resume their activities as licensed insurance producers.

The Commissioner recognizes that licensed insurance producers in Arkansas, who have been called to active military duty, will face a significant, if not impossible, hardship in satisfying many of the licensing requirements of the Arkansas Insurance Department. The circumstances of their deployment as part of Operation Iraqi Freedom or in serving in other active military duty may practically prevent military personnel from requesting and receiving waiver from application of requirements related to their insurance producer licenses, including the continuing education requirements.

The Arkansas Insurance Department recognizes that in defending our freedoms, our military personnel have set aside both their personal and professional interests to serve this great nation. The Arkansas Insurance Department agrees with the NAIC resolution and the Association's declaration that, "As insurance regulators, we owe it to these fine men and women to support their noble efforts in any way

possible.” The Commissioner and entire Department support and wish a safe return for all United States military personnel taking part in Operation Iraqi Freedom. Furthermore, the Commissioner and Department wish to support all other military personnel serving their country in active military duty. In recognition of the extenuating circumstances presented by the participation in Operation Iraqi Freedom, or service in any other active military duty, of those military personnel who also are licensed insurance producers, the Commissioner hereby issues this Bulletin to impose a temporary moratorium on any applicable continuing education requirements until such time as these producers complete their active military duty and are able to resume their activities and responsibilities as licensed insurance producers.

Ark. Code Ann. § 23-64-301 requires that “each insurance producer, unless exempt under §23-64-302, licensed in this state shall successfully complete courses of instruction, as required by this section.” § 23-64-301 (b)(1) requires a minimum of eight (8) hours of continuing education instruction for a life license or an accident and health license, or both, or a minimum of eight (8) hours of instruction for a property and casualty license. Section (b)(2) requires persons holding dual licenses for life and accident and health or life or accident and health and property and casualty shall also be required to complete courses of instruction for a total of ten (10) hours. Ark. Code Ann. §23-64-304 (b) provides that, “For good cause shown, the Commissioner may grant an extension of time during which the educational requirements imposed by this subchapter may be completed, but the extension of time shall not exceed a period of one (1) calendar year. Please view these laws and companion Rule 50 on continuing education at the DOI website at www.accessarkansas.org/insurance.

The Commissioner finds that deployment to or service in active military duty certainly constitutes “good cause” as contemplated by Ark. Code Ann. §23-64-304(b); and he is authorized to delay or temporarily suspend the continuing education requirements for insurance producers serving in active military duty in Operation Iraqi Freedom or serving in any other active military duty; and that he is hereby granting an extension of time during which Arkansas resident producers may complete the continuing education requirements.

In summary, the Commissioner hereby temporarily suspends the continuing education requirements imposed by Ark. Code Ann. §§ 23-64-301, et seq. for all resident Arkansas insurance producers who have been deployed to active military duty in Operation Iraqi Freedom, or who are otherwise serving their country in active military duty. Furthermore, the Commissioner hereby extends the time during which the educational requirements may be completed for a period of one (1) calendar year after said producers complete their active military duty and return home to Arkansas. Resident Arkansas producers will not be required to complete any hours during military service. Upon completion of their active military duty service, they have one year to start and complete the hours counted during their absence for military service.

Insurance companies, HMOs, FMAAs, Fraternal and other insuring (indemnifying) entities which appoint insurance producers on Department licensing records or contract with resident producers are hereby directed to provide a copy of this bulletin to all their appointed or contractual producers.

Any questions regarding this Bulletin may be directed to Mr. Claibourne C. Crews, Associate Counsel, Legal Division, at 501-371-2820 or clay.crews@mail.state.ar.us, or to Fax 501-371-2639, or to Mr. Fred Stiffler, Director, Agent License Division, at 501-371-2750 or fred.stiffler@mail.state.ar.us.

[Mike Pickens' signature]
MIKE PICKENS
INSURANCE COMMISSIONER
STATE OF ARKANSAS

[signed 8-22-2003]
DATE