

**RULES AND REGULATIONS OF THE
INSURANCE COMMISSIONER**

**CHAPTER 120-2
RULES OF COMMISSIONER OF INSURANCE**

**SUBJECT 120-2-3
REGULATIONS REGARDING AGENTS, SUBAGENTS, COUNSELORS,
ADJUSTERS, SURPLUS LINES BROKERS, AND AGENCIES**

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Rule 120-2-3-.09. Examinations

(1) All resident applicants required under Chapter 23 of Title 33 of the Official Code of Georgia Annotated shall submit to examination by the Commissioner except:

- (a)** Applicants for agent licenses in lines or sublines of life or accident and sickness insurance who hold the designation of Chartered Life Underwriter (CLU) or Fellow Life Management Institute (FLMI);
- (b)** Applicants for agent licenses in lines or sublines of property and casualty who hold the designation of Chartered Property and Casualty Underwriter (CPCU);
- (c)** Applicants for licenses as counselors who hold the designation of Certified Insurance Counselor (CIC), Accredited Advisor in Insurance (AAI), Registered Employee Benefits Consultant (REBC), CPCU as specified in Rule 120-2-3-.09(1)(b), CLU or FLMI as specified in Rule 120-2-3-.09(1)(a), or applicants deemed by the Commissioner to have sufficient experience and qualifications in the lines of authority for which the applicant seeks licensure;
- (d)** Applicants for Limited Health Counselor licensure that have five (5) years' experience licensed as an agent in the line of accident and sickness;
- (e)** Applicants for Limited Health Counselor licensure that hold the designation of CIC, CLU, FLMI, REBC and Registered Health Underwriter (RHU);
- (f)** Applicants for limited licenses in accordance with Rules 120-2-3-.29, .31, .32, .39, .44, .45, and .47 of this Regulation Chapter;

- (g) Applicants holding a Ph.D. in Risk Management;
- (h) Adjusters who are salaried employees of insurers;
- (i) Applicants for temporary licenses;
- (j) Applicants for credit insurance agent licenses;
- (k) Applicants for a workers compensation adjuster license who hold the designation of Certified Workers Compensation Professional (CWCP);

~~(l) Applicants for adjuster licenses who hold the designation of Universal Claims Certification (UCC);-~~

~~(m)~~(l) Such other applicants as the Commissioner may, at his discretion, determine.

~~(n)~~(m) The applicant who was previously licensed for the same lines of authority in another state shall not be required to complete any prelicensing education or examination. This exemption is only available if the individual is currently licensed in that state or if the application is received within 90 days of the cancellation of the applicant's previous license. The applicant must have been in good standing with the prior state as evidenced by a certificate of good standing provided by that state and verifiable in the producer data base records maintained by authorized systems.

(2) The passing grade on examinations for licenses shall be seventy percent (70%).

(3) Any person taking an examination for licensing and not receiving a passing grade shall not be entitled to retake the examination until fourteen (14) days have elapsed, and will be required to pay the appropriate fee. A person who fails to pass the examination after taking the exam three (3) times shall not be entitled to retake the examination until sixty (60) days have elapsed, and will be required to pay the appropriate fees.

(4) A person who has not filed an application within twelve (12) months of the date of receiving a passing exam score will be required to retake the examination.

Authority: O.C.G.A. §§ 33-2-9, 33-8-1, 33-23-5, 33-23-10, 50-13-21.

Rule 120-2-3-.12. Continuing Education Courses Approval

(1) Considerations for course qualification and approval shall be based on improving the student's knowledge in the insurance areas in which the student is licensed.

(a) The overriding consideration in determining whether a course qualifies as acceptable continuing education is that it be a formal program of learning which contributes directly to the professional or technical competence of a licensed individual. Sales, motivational, self-improvement, telephone techniques, office techniques (except to the extent of improving service to the public when combined with other eligible instruction), election of officers, installation of officers, attendance at conventions and other similar activities, programs, or courses will not be approved.

(b) Courses must be related directly to the types of insurance business or accounts for which a continuation of licenses is sought. In general, subjects would be acceptable if they contribute to the technical competence of the individual person in the capacity for which such person is licensed.

(c) The training required under 120-2-3-.15(2)(f) shall consist of topics related to long term care insurance, long term care services and qualified state long term care insurance Partnership programs under Rule 120-2-16-.34(5), including but not limited to:

- 1.** State and federal regulations and requirements and the relationship between qualified state long term care insurance Partnership programs and other public and private coverage of long term care services, including Medicaid;
- 2.** Available long term services and providers;
- 3.** Changes or improvements in long term care services or providers;
- 4.** Alternatives to the purchase of private long term care insurance;
- 5.** The effect of inflation on benefits and the importance of inflation protection;
- 6.** Consumer suitability standards and guidelines;
- 7.** Said course must contain a minimum of two (2) hours instruction covering Georgia Medicaid provisions.

(d) The training required under 120-2-3-.15(2)(g) can be approved to be delivered as a classroom course or self-study; the course shall not include any marketing information or provide training on sales techniques or provide specific information about a particular insurer's products; the training required shall consist of topics related to annuities and annuity suitability and must include the following:

- 1.** The types of annuities and various classifications of annuities;
- 2.** Identification of the parties to an annuity;
- 3.** How fixed, variable and indexed annuity contract provisions affect consumers;
- 4.** The application of income taxation of qualified and non-qualified annuities;
- 5.** The primary uses of annuities; and
- 6.** Appropriate sales practices, replacement and disclosure requirements.

(2) The general requirements for course or program conduct shall be:

(a) An outline of the program must be prepared by the program director or instructor and provided to each student;

(b) The program must be conducted by a person whose formal training and experience qualify such person as an instructor;

(c) Hours of continuing education credit earned shall be calculated in full hours only;

(d) Throughout the entire program, the program provider and the licensee must maintain a record of registration and attendance;

(e) Such courses or program must be filed with the Commissioner at least forty-five (45) days in advance of the date when such approval is desired;

(f) Credit will be given for contact hours only, except:

1. University or college credit courses - each semester credit hour shall equal three (3) hours toward the requirement, each quarter hour shall equal two (2) hours;

2. Noncredit courses from a college or university - each classroom hour shall be deemed to be one hour of continuing education.

(g) Correspondence or other individual study courses (including taped study courses) will qualify if they:

1. Have received the prior approval of the Commissioner;

2. Require registration; and

3. Certify satisfactory completion, including a proctored final examination.

(h) If any scheduled course is to be cancelled by the provider, the provider must notify the Department and all registrants at least 10 days prior to the previously scheduled start of the course provided. This restriction shall not apply if, at the time of registration, the provider notifies registrants in writing that the class is subject to cancellation and registrants are notified of the cancellation a reasonable time in advance of the scheduled start of the course.

(3) The course filing requirements are:

(a) Continuing education sponsors must complete the appropriate form, pay the required fees, and must submit those items required in Rules 120-2-3-.08 (3) and (4);

The Commissioner, at his discretion, may verify the information submitted by the instructor or course provider. The Commissioner may review any approved instructor or course and may cancel approval of such instructor or course with regard to all future offerings. Once a instructor or course provider has been canceled, such instructor or course provider shall not reapply for approval for a period of five (5) years from the date of the cancellation.

(4) For courses or seminars offered in Georgia, the person, group, association, or institution making such courses available would be the continuing education provider, seeking its approval for continuing education purposes, and monitoring and certifying students' performance or attendance.

(5) For out-of-state courses or seminars offered by regional or national professional

associations or societies, the national professional association may assume the role of sponsor. However, local or state chapters or affiliates of the national professional association may, through their local offices, assume the role of Georgia provider of the national course or seminar, seeking course approval for continuing education purposes and monitoring and certifying students' performance and attendance.

(6) The following standards will be used to measure the hours of credit to be given for acceptable continuing education courses completed by any individual:

(a) Courses requiring class attendance:

- 1.** All courses will be measured in terms of contact hours. The shortest recognized course will consist of one (1) contact hour. A contact hour is fifty (50) minutes of continuous participation in a course. Under this standard, credit is granted only for full contact hours. For example, a course lasting between fifty (50) and one hundred (100) minutes would count for only one (1) hour.
- 2.** For continuous courses, when individual segments are less than fifty (50) minutes, the sum of the segments should be considered one (1) total course.
- 3.** Program providers must monitor group programs in order to accurately assign the appropriate number of credit hours for participants who arrive late or leave before a program is completed.
- 4.** Credit will be allowed for a question and answer period at the rate of fifty percent (50%) of the number of minutes devoted to questions and answers. Credit will not be allowed for introductions, announcements or other such activity which may be a part of the program.
- 5.** Only hours in class, or the equivalent, will be counted. No credit will be allowed for time devoted to preparation.
- 6.** Each semester hour of credit from a college or university shall be deemed to be three (3) hours of continuing education credit, and each quarter hour of credit shall be deemed to be two (2) hours of continuing education credit.
- 7.** Each classroom hour of noncredit courses from a college or university shall be counted as one (1) hour of continuing professional education.

(b) Correspondence and other individual study courses:

- 1.** In determining the amount of credit to be allowed for specific correspondence and individual study courses, each course provider must certify the hours of study, on the average, required to complete a course successfully.
- 2.** Successful completion must include a proctored final examination.
- 3.** Credit will be allowed in the renewal period in which the course is completed.

(c) Online courses:

1. Online courses provide activities and information delivered in a recorded, streaming, or multimedia format that includes an assessment. Online courses must require frequent interaction with courseware as a condition of progressing through the material with quizzes offered after chapters or sections to provide learning feedback.

2. In determining the amount of credit to be allowed for specific online courses, each course provider must certify the hours of study, on the average, required to complete a course successfully.

3. Credit will be allowed in the renewal period in which the course is completed.

3.4. System proctoring is permissible, if verifiable through interaction with courseware which tracks time and can be verified by provider. If completion and passing of course cannot be tracked and timed, in person proctoring must be performed.

(7) A program provider may request that its materials furnished for certification be kept confidential on the grounds that they are of a proprietary nature and intended only for program attendees, its agents or employees. The Commissioner or his designee will promptly review and return such materials.

(8) Course providers must certify contact hours to the Commissioner electronically or by means prescribed by the Commissioner. Such reporting must be submitted within fourteen (14) days from course completion. Failure to do so may result in administrative action taken against the provider. Course providers must provide certification to each person taking the course in the same manner as provided in Rule 120-2-3-.08(7).

(9) Instructors may receive the same credit for courses as applicants when their attendance is certified as provided in Paragraph (8) of this Section.

(10) Education Providers are required to retain continuing education original course application documents, course and reference materials, any changes made to the course during active status, course assessments results, and course completion rosters for a period of at least 24 months from the inactivation date of the course.

(11) Continuing Education courses will not be approved for more than 24 hours for class attendance courses or 12 hours for any self-study or online course.

Authority: O.C.G.A. §§ 33-2-9, 33-8-1, 33-23-8, 33-23-18, 33-23-44, 33-42-6, 33-42-7, 50-13-21.

120-2-3-.19. Exemptions or Reductions in Requirements for Continuing Education

(1) On approval of the Commissioner, licensees with professional designations in insurance may receive a reduction or exemption from continuing education requirements provided:

(a) The organization sponsoring or granting the professional designation requests such exemption in writing setting forth the continuing education requirements for such designation;

(b) The holder of such designation provides proof of exemption with the Commissioner on or before the date required for filing continuing education credits;

(c) Such exemption or reduction shall only be to the extent of contact hours of continuing education received; and

(d) Exemption or reduction claimed under this Section may be subject to verification by the Commissioner.

(2) Any organization requesting an exemption under Subparagraph (1)(a) of this section must notify the Commissioner in writing within thirty (30) days of any change in its continuing education requirements.

(3) Upon filing the required form on or before the date required for filing continuing education credits with the Commissioner, and at the discretion of the Commissioner, any licensee may receive a reduction or exemption in continuing education hours required to the extent of the time spent on insurance related activities during the previous year. Such activity shall include, but not be limited to, the following related or occupational duties:

(a) Teaching courses in insurance related topics; or

(b) Insurance related legislative activities; or

(c) Journalism activities involving insurance related topics; or

(d) Projects involving research of insurance laws and regulations; or

(e) Active participation in professional insurance associations. Active members are eligible for a maximum of 3 hours subject to verification from association.

(4) Licensees with the professional designation of CPCU, CLU, Fellow Life Management Institute (FLMI), CIC, Certified Employee Benefit Specialist (CEBS), Chartered Financial Consultant (ChFC), Accredited Advisor in Insurance (AAI), Certified Financial Planner (CFP), CRM, CISR or a major BBA in Risk Management and Insurance from an accredited college will receive a reduction of continuing education hours required. To claim this reduction in continuing education hours, the licensee must attach documentation of achieving such designation. Licensees with these designations are required to complete twelve (12) hours of continuing education with a minimum of three (3) hours to be completed in Ethics each renewal period. Hours must be completed by the dates specified in Rule 120-2-3-.16.

~~**(5)** Licensees with the professional designation of Universal Claims Certification (UCC) will be exempt from all continuing education required of adjusters.~~

~~**(6)**~~**(5)** Licensees with a non-resident license who are required to meet continuing education in their state of residence will be considered in compliance with the continuing education requirements under this chapter, provided the non-resident licensee's home state reciprocates with Georgia licensees in the same manner.

~~**(7)**~~**(6)** Agents holding a nonactive license as provided in O.C.G.A. §§ 33-23-4(f) and 33-23-18(e) are exempt from Continuing Education requirements provided:

(a) The holder of such license files for renewal on or before the date required.

(b) Such exemption shall only be valid during the period the license is nonactive.

Authority: O.C.G.A. §§ 33-2-9, 33-23-4, 33-23-6, 33-23-16, 33-23-18, 33-23-44, 50-13-21.

Rule 120-2-3-.25. Resident Adjusters, Public Adjusters, Workers Compensation Adjusters, Crop Hail Adjusters and Emergency Disaster Adjusters

(1) Adjuster:

(a) Effective July 1, 2002, all licensees who currently hold an adjusting company adjuster or an independent adjuster license will be issued an adjuster license in lieu of their current license. All continuing education requirements as outlined in Rule 120-2-3-.15 and all renewal requirements as outlined in Rule 120-2-3-.16 continue to apply after July 1, 2002.

(b) In order for all other resident applicants to be eligible for an adjuster license in accordance with Chapter 23 of Title 33 of the Official Code of Georgia Annotated and this Regulation, the applicant must make proper application to the Commissioner and pay all required fees.

(c) Effective January 1, 2010, all new applicants, excluding active licensees and individuals that apply for reinstatement within 6 months of expiration date, shall be required to submit electronic fingerprints through a vendor selected by the Department for a criminal background check. The applicant shall bear the cost for electronic fingerprinting.

(d) The resident adjuster applicant must complete an approved Prelicensing course in property and casualty unless specifically exempted by Chapter 23 of Title 33 of the Official Code of Georgia Annotated and this Regulation. All prelicensing courses must contain a minimum of twenty (20) hours of instruction per major line of authority. The applicant must pass the required examination for licensure within 12 months of the completion of the prelicensing course. All applicants must pass the required adjuster examination and apply for licensure within 12 months from receiving a passing grade on the examination. Applicants are exempt from the examination requirement if they qualify for the exemption outlined in Rule 120-2-3-.09(1)(k) or hold either the designation of Chartered Property and Casualty Underwriter (CPCU) ~~or Universal Claims Certification (UCC)~~.

(e) All continuing education requirements as outlined in Rule 120-2-3-.15 and all renewal requirements as outlined in Rule 120-2-3-.16 apply to adjuster licensees.

(f) Exceptions to prelicensing course:

1. Applicants with a designation of CPCU ~~or UCC~~;

2. Applicants who qualify for exemption under O.C.G.A. §§ 33-23-5(a)(5)(A) and 33-23-5(a)(5)(B);

3. Applicants who provide satisfactory evidence such as a transcript from a college or university indicating successful completion of two (2) college or university courses related to insurance. Such courses must relate to the lines of authority for which the

Applicant has applied;

4. Applicants with college degrees in insurance;

5. Other applicants at the Commissioner's discretion.

(2) Public adjuster:

(a) To be eligible for a resident public adjuster license in accordance with Chapter 23 of Title 33 of the Official Code of Georgia Annotated and this Regulation, the applicant must make proper application to the Commissioner and pay all required fees.

(b) Effective January 1, 2010, all new applicants, excluding active licensees and individuals that apply for reinstatement within 6 months of expiration date, shall be required to submit electronic fingerprints through a vendor selected by the Department for a criminal background check. The applicant shall bear the cost for electronic fingerprinting.

(c) The resident public adjuster applicant must complete an approved prelicensing course in property and casualty unless specifically exempted by Chapter 23 of Title 33 of the Official Code of Georgia Annotated and this Regulation. All prelicensing courses must contain a minimum of twenty (20) hours of instruction per major line of authority. The applicant must pass the required examination for licensure within 12 months of the completion of the prelicensing course. All applicants must pass the required public adjuster examination and apply for licensure within 12 months from receiving a passing grade on the examination. Applicants are exempt from the examination requirement if they qualify for the exemption outlined in Rule 120-2-3-.09(1)(k) or hold the designation of CPCU.

(d) All continuing education requirements as outlined in Rule 120-2-3-.15 and all renewal requirements as outlined in Rule 120-2-3-.16 apply to public adjusters.

(e) The applicant must include with his/her application a public adjuster bond in accordance with Rule 120-2-3-.18.

(f) Exceptions to prelicensing course:

1. Applicants with a designation of CPCU;

2. Applicants who qualify for exemption under O.C.G.A. §§ 33-23-5(a)(5)(A) and 33-23-5(a)(5)(B);

3. Applicants who provide satisfactory evidence such as a transcript from a college or university indicating successful completion of two (2) college or university courses related to insurance. Such courses must relate to the lines of authority for which the Applicant has applied;

4. Applicants with college degrees in insurance;

5. Other applicants at the Commissioner's discretion.

(3) Workers' Compensation adjuster:

(a) To be eligible for a resident workers' compensation adjuster license in accordance with Chapter 23 of Title 33 of the Official Code of Georgia Annotated and this Regulation, the applicant must make proper application to the Commissioner and pay all required fees.

(b) Applicants must hold and submit proof of the designation of CWCP, CPCU, ~~or UCC~~, or qualify under Rule 120-2-3-.09(1)(k).

(c) Effective January 1, 2010, all new applicants, excluding active licensees and individuals that apply for reinstatement within 6 months of expiration date, shall be required to submit electronic fingerprints through a vendor selected by the Department for a criminal background check. The applicant shall bear the cost for electronic fingerprinting.

(d) All continuing education requirements as outlined in Rule 120-2-3-.15(2)(c) and all renewal requirements as outlined in Rule 120-2-3-.16 apply to workers' compensation adjusters.

(4) Crop Hail adjuster:

(a) To be eligible for a resident crop hail adjuster license in accordance with Chapter 23 of Title 33 of the Official Code of Georgia Annotated and this Regulation, the applicant must make proper application to the Commissioner and pay all required fees.

(b) All applicants must complete an approved proficiency testing program. Applicants are exempt from the proficiency testing program requirements if they qualify for the exemption outlined in Rule 120-2-3-.09(1)(k) or hold either the designation of CPCU ~~or UCC~~.

(c) Effective January 1, 2010, all new applicants, excluding active licensees and individuals that apply for reinstatement within 6 months of expiration date, shall be required to submit electronic fingerprints through a vendor selected by the Department for a criminal background check. The applicant shall bear the cost for electronic fingerprinting.

(d) All continuing education requirements as outlined in Rule 120-2-3-.15 and all renewal requirements as outlined in Rule 120-2-3-.16 apply to crop hail adjusters.

(5) Emergency Disaster adjuster:

(a) In the event of a Georgia Emergency Management Authority (GEMA) declared disaster or catastrophe, the insurer will be required to electronically file with the Department a list of non-licensed salaried staff adjusters and out of state licensees that will handle claims relating to the catastrophe/disaster. Upon proper filing, Disaster Re-entry Permits will be assigned to each insurer. These re-entry permits are to be temporarily assigned to each adjuster for a period not to exceed 60 days.

(b) The Insurer's electronic emergency adjuster filing must include information regarding its adjuster Coordinator. The filing must include the adjuster coordinator's name, address, e-mail address, phone and fax number, as well as any additional information the Commissioner deems necessary. The adjuster coordinator will be responsible for the emergency disaster adjuster filings and assignment of the re-entry permits.

(c) In the event of a non-GEMA declared disaster, nonresident adjusters licensed in another state may enter Georgia for a period not to exceed 60 days. The adjuster must notify the

Department prior to entry into this state. Such notification must include the adjuster's name, address, date of anticipated entry into this state and any other information that the Commissioner deems necessary to complete the filing. If the adjuster will be in this state for a period exceeding 60 days, the individual must apply for adjuster licensure.

Authority: O.C.G.A. §§ 33-2-9, 33-8-1, 33-23-1, 33-23-5, 33-23-5.1, 33-23-6, 33-23-8, 33-23-10, 33-23-15, 33-23-18, 33-23-29, 33-23-44, 50-13-21.