

1 Public Protection Cabinet  
2 Department of Insurance  
3 Agent Licensing Division  
4 (Amendment)

5 806 KAR 9:025. [~~Agent~~] Licensing Process.

6 RELATES TO: KRS 304.4-010, 304.9-105, 304.9-130, 304.9-150, 304.9-160, 304.9-230,  
7 304.-260, 304.9-270, 304.9-295, 304.9-320, 304.9-430, 304.14-642

8 STATUTORY AUTHORITY: KRS 304.2-110, 304.9-080, 304.9-105, 304.9-160, 304.9-  
9 170, 304.9-230, 304.9-270, 304.9-295

10 NECESSITY, FUNCTION, AND CONFORMITY: KRS 304.2-110 authorizes the  
11 Commissioner of Insurance to promulgate administrative regulations necessary for or as an  
12 aid to the effectuation of any provisions of the Kentucky Insurance Code. KRS 304.9-080  
13 requires the commissioner to prescribe and furnish all forms required for licenses and  
14 appointments under Subtitle 9 of the insurance code. KRS 304.9-105 requires the  
15 commissioner to promulgate administrative regulations to mandate a prelicensing course of  
16 study for all agents except for a variable life and variable annuities line of authority and limited  
17 lines of authority. KRS 304.9-230 requires the commissioner to promulgate administrative  
18 regulations regarding a prelicensing course of study for limited lines of authority. KRS 304.9-  
19 160 requires the commissioner to establish the examination process, and KRS 304.9-170  
20 provides exemptions to the examination requirement. KRS 304.9-270 requires the  
21 commissioner to prescribe a form required for appointment of individual and business entity

1 agents. KRS 304.9-295 requires the commissioner to establish forms and standards for the  
2 approval of pre-licensing and continuing education course providers, instructors, and courses.  
3 This administrative regulation establishes the guidelines for individual agents, business  
4 entities, consultants, and adjusters to become licensed, obtain appointments, as required, in  
5 Kentucky, maintain their licenses through the completion of continuing education, and  
6 surrender their license voluntarily or have their appointment terminated by an insurer.

7 Section 1. Pre[-]Licensing Course Requirements.

8 (1) An individual applying for an agent license shall complete a pre-licensing course of  
9 study approved by the commissioner for a minimum of forty (40) hours for life and health  
10 insurance, forty (40) hours for property and casualty insurance, or twenty (20) hours for each  
11 line of authority, as applicable, for the lines of authority included in the application, unless the  
12 applicant is:

13 (a) Seeking a limited line of authority under KRS 304.9-230; or

14 (b) Exempt pursuant to KRS 304.9-170.

15 (2)(a) All prelicensing courses, providers, and instructors shall be approved by the  
16 commissioner prior to offering a course.

17 (b) A prelicensing course provider shall submit either in writing or electronically through  
18 the department's Web site, <http://insurance.ky.gov>:

- 19 1. A Form KYP-01, Provider Approval Application, submitted once to become an  
20 approved course provider;
- 21 2. A Form CE/PL-100, Course Approval Application, for each course the approved  
22 provider wants to offer;
- 23 3. A Form CE/PL-200, Instructor Approval Application, for each course instructor;

1 4. The fee, as applicable, established for provider, instructor, and course approval in 806  
2 KAR 4:010; and

3 5. An outline of the content of the course of study.

4 (c) In approving a prelicensing course of study, the commissioner or the commissioner's  
5 de- signee shall consider whether the course of study covers the subject matter included in  
6 the department's current study outlines or their equivalent.

7 (d) If approved, a prelicensing course of study approved by the commissioner shall be  
8 renewed biennially.

9 (e) If approved previously, the provider and instructor approval applications shall not be  
10 ~~[are not]~~ required to be submitted with each course.

11 (3) A prelicensing course of study shall be ~~[is]~~ valid for one (1) year from the date of  
12 completion.

13 (4) The prelicensing provider shall submit proof of completion of a course of study to the  
14 department and the applicant on Form CPL-01, Certificate of Pre-Licensing Course Completion  
15 or electronically through the department's Web site, <http://insurance.ky.gov>, for each applicant.

16 Section 2. Agent Examinations.

17 (1) An applicant ~~[All applicants]~~ for an individual agent ~~[a]~~ license shall file with the  
18 department ~~[commissioner]~~:

19 (a) A completed Form 8301, NAIC Individual Insurance Producer License Application;

20 (b) Documentation demonstrating successful completion of any required prelicensing course  
21 ~~[courses]~~;

22 (c) A completed background check through the administrative office of the courts; and

23 (d) Payment of the fees applicable to the license and lines of authority sought in accordance

1 ~~with [according to]~~ KRS 304.4-010 and 806 KAR 4:010.

2 (2) If an examination is required, the documents and fees required in subsection (1) of this  
3 section shall be submitted prior to scheduling an examination.

4 (3) An individual applying for a line of authority identified in KRS 304.9-030(2) shall  
5 successfully [~~successfully~~] complete an examination [~~examinations~~] as follows:

6 (a) For a life line of authority, a life examination;

7 (b) For a health line of authority, a health examination;

8 (c) For a property line of authority, a property examination;

9 (d) For a casualty line of authority, a casualty examination;

10 (e) For a personal line, a property and casualty personal lines examination;

11 (f) For a line of authority identified in accordance with KRS 304.9-030(2)(h), an examination  
12 appropriate for the kind of insurance; and

13 (g) For a variable life and variable annuity product[s], no examination is required.

14 (4) An examination [~~Examinations~~] shall only be required for the following limited lines of  
15 authority identified in KRS 304.9-230:

16 (a) For a crop limited of authority, a crop examination; and

17 (b) For a rental vehicle limited line of authority, a rental vehicle examination shall be  
18 administered or monitored by a rental vehicle agent pursuant to 806 KAR 9:265.

19 (5) Every applicant for a license for which [~~required to take~~] an examination is required shall  
20 answer correctly seventy (70) percent of the questions to pass the examination.

21 (6) To retake an examination, an applicant shall submit to the department:

22 (a) Form 8304, Examination Retake Form; and

23 (b) The applicable examination retake fees established in 806 KAR 4:010.

1 Section 3. Adjuster Examinations.

2 (1) An applicant for an adjuster license shall file with the department:

3 (a) A completed Form 8301, NAIC Individual Insurance Producer License Application;

4 (b) The applicable fee established in 806 KAR 4:010.

5 (2) An individual applying for an adjuster line of authority identified in KRS 304.9-430(7)  
6 or (8) shall:

7 (a) For a property and casualty line of authority, successfully complete a property and casual-  
8 ty adjuster examination;

9 (b) For a workers' compensation line of authority, successfully complete a workers'  
10 compensation adjuster examination; and

11 (c) For a crop line of authority, either:

12 1. Successfully complete a crop adjuster examination; or

13 2. Demonstrate certification through the Crop Adjuster Proficiency Program, by providing  
14 to the department a copy of a Crop Adjuster Proficiency Program certification identification card  
15 with an active status issued by the federal Risk Management Agency, an agency within the  
16 U.S. Department of Agriculture, which specifies the applicant has passed a proficiency  
17 examination to adjust multi-peril crop claims.

18 (3) ~~[(2)]~~ Every applicant for a license for which ~~[required to take]~~ an examination is required  
19 shall answer correctly seventy (70) percent of the questions to pass the examination.

20 (4) To retake an examination, an applicant shall submit to the department:

21 (a) Form 8304, Examination Retake Form; and

22 (b) The applicable examination retake fees established in 806 KAR 4:010.

23 Section 4. Consultant Examination.

1 (1) An applicant for a consultant license shall file with the department:

2 (a) A completed Form 8301, NAIC Individual Insurance Producer License Application;

3 (b) Payment of the fees applicable to the license in accordance with KRS 304.4-010 and  
4 806 KAR 4:010.

5 (2) The documents and fees required in subsection (1) of this section shall be submitted  
6 prior to scheduling an examination.

7 (3) An applicant for a consultant license shall answer correctly seventy (70) percent of the  
8 questions to pass the consultant examination and obtain a license.

9 (4) To retake an examination, an applicant shall submit to the department:

10 (a) Form 8304, Examination Retake Form; and

11 (b) The applicable examination retake fees established in 806 KAR 4:010.

12 Section 5. Continuing Education.

13 (1) Continuing education providers, instructors, and courses shall be approved by the com-  
14 missioner unless specifically exempted by KRS 304.9-295.

15 (a) To apply for approval as a continuing education provider, an applicant [~~Continuing~~  
16 ~~education courses providers~~] shall submit to the department:

17 1. A [a] completed Form KYP-01, Provider Approval Application; and

18 2. For new proprietary education providers, documentation of approval by the Kentucky  
19 Commission on Proprietary Education.

20 (b) To apply for approval of a continuing education instructor, an approved continuing  
21 education provider [~~Continuing education course instructors~~] shall submit to the department:

22 1. A [a] completed Form CE/PL-200, Instructor Approval Application; and

23 2. The applicable fee established in 806 KAR 4:010.

1 (c) 1. To apply for approval of a continuing education course, an approved continuing  
2 education provider [A continuing education course] shall submit to the department [be filed  
3 by submitting the] Form CE/PL-100, Course Approval Application [form] at least sixty (60)  
4 days in advance of advertising the course, unless good cause is demonstrated by the provider  
5 for the failure to timely submit the form [file]. If the course is offered in multiple states, the  
6 provider may use the National Association of Insurance Commissioners', NAIC Uniform  
7 Continuing Education Reciprocity Course Filing Form for approval.

8 2. After approval of the continuing course and the determination of the number of credit hours  
9 assigned to the course, the continuing education provider shall pay to the department the  
10 applicable fee established in 806 KAR 4:010.

11 (d) The commissioner shall consider the following in determining approval of a continuing  
12 education course [courses]:

13 1. Whether the applicant has remitted all fees due once the total credit hours are determined  
14 pursuant to 806 KAR 4:010;

15 2. Whether the continuing education course contributes directly, at a professional level, to  
16 the competence of the licensee with respect to the following subjects:

17 a. Insurance, annuities, and risk management;

18 b. Insurance laws and administrative regulations;

19 c. Mathematics, statistics, and probability;

20 d. Economics;

21 e. Business law;

22 f. Finance;

23 g. Taxes;

1 h. Agency management including all aspects of agency operations that support the long-  
2 term stability of the agency system and encourage the service and protection of customers;

3 i. Ethics; or

4 j. Other topics approved by the commissioner which contribute directly at a professional lev-  
5 el to the competence of the licensee.

6 (e) The continuing education course shall:

7 1. Include current, relevant, accurate, and valid reference materials, graphics, and  
8 interactivity;

9 2. Have clearly defined objectives and course completion criteria;

10 3. Have a written outline and study materials or texts; and

11 4. Include a means for evaluation.

12 (f) A self-study course [~~Self-study courses~~] shall require successful completion of an  
13 examination.

14 (g) Continuing education credit shall not be provided for:

15 1. Any course used to prepare for taking an examination required pursuant to KRS Chapter  
16 304;

17 2. Committee service for professional organizations;

18 3. Computer training to develop functional skills; and

19 4. Motivational or self-help courses.

20 (h) The commissioner shall measure continuing education course credit hours by the  
21 following:

22 1. Each credit hour for live instruction courses, completed in a classroom, by video,  
23 teleconference, or computer, shall include at least fifty (50) minutes of continuous instruction or



1 participation; and ~~[ ]~~

2 2. Each credit hour for recorded self-study courses, completed online or by correspondence,  
3 shall be calculated in accordance with the National Association of Insurance Commissioners',  
4 Recommended Guidelines for Online Courses.

5 (i) Any material change in a previously approved continuing education course shall be filed  
6 with and approved by the commissioner prior to use.

7 (j) Biennially, a continuing education provider ~~[providers]~~ shall request renewal ~~[renew~~  
8 ~~approval]~~ of a continuing education course ~~[courses]~~ and a continuing education instructor  
9 ~~[instructors]~~ by submitting the information required by subsection (1)(b) and (c) of this section  
10 and the fee established in 806 KAR 4:010 to the department on or before ~~[all applicable~~  
11 ~~information and fee payment to the commissioner prior to]~~ June 30 of even-numbered years.

12 (2) Licensees engaging in the sale, solicitation, or negotiation of specialized products listed  
13 ~~[as noted]~~ in paragraphs (a), (b) and (c) of this subsection are subject to the following:

14 (a) A resident ~~[Resident]~~ individual agent ~~[licensees]~~ selling, soliciting, or negotiating  
15 insurance products that qualify under the Long-Term Care Partnership Insurance Program, as  
16 described in KRS 304.14-642, shall complete eight (8) hours of initial long-term care training,  
17 and four (4) hours of additional training for each biennial continuing education compliance  
18 period;

19 (b) A resident individual agent ~~[Any resident licensee]~~ who holds ~~[licensed with]~~ a property  
20 and casualty line ~~[Property and Casualty lines]~~ of authority selling federal flood insurance shall  
21 complete three (3) hours of training in accordance with the Flood Insurance Reform Act of 2004,  
22 as set forth in Pub.L. 108-264, Section 207; and

23 (c) An individual agent ~~[Any individual licensee]~~ who holds a life line of authority shall

1 successfully complete four (4) hours of initial training, prior to the sale, solicitation, or  
2 negotiation of annuities, unless the agent [~~licensee~~] has documented the completion of  
3 substantially similar training in another state, that shall include information on the following  
4 topics:

- 5 1. The types of annuities and various classifications of annuities;
- 6 2. Identification of the parties to an annuity;
- 7 3. The manner in which fixed, variable, and indexed annuity contract provisions affect  
8 consumers;
- 9 4. The application of income taxation of qualified and non-qualified annuities;
- 10 5. The primary uses of annuities; and
- 11 6. Appropriate standard of conduct, sales practices, replacement, and disclosure requirements.

12 (d) 1. An agent who has completed an annuity training course approved by the department  
13 prior to July 1, 2021 shall, within six (6) months after July 1, 2021, complete either:

14 a. A new four (4) hour credit training course approved by the Department of Insurance; or

15 b. An additional one-time one (1) credit training course approved by the Department of  
16 Insurance and provided by a Department of Insurance-approved education provider on  
17 appropriate sales practices, replacement and disclosure requirements under 806 KAR

18 12:120.

19 2. A non-resident agent who has completed a training course that is substantially similar to  
20 the training course required in subparagraph 1. of this paragraph shall meet the requirements  
21 of subparagraph 1. of this paragraph.

22 (3) A continuing [~~Continuing~~] education provider [~~providers~~] shall:

23 (a) Within thirty (30) days of completion of a continuing education course, submit

1 electronically through the department's Web site, <http://insurance.ky.gov> [to the commissioner]  
2 the Continuing Education Certificate of Completion forms and attendance roster for all licensees  
3 who satisfactorily completed the course;

4 (b) Issue the Form CE-301, Approved Continuing Education Certificate of Completion form  
5 to the licensee that successfully completed the course; and

6 (c) Maintain all attendance rosters and course completion certificates in hard copy or  
7 electronic format for at least five (5) years for review, as necessary, by the commissioner.

8 (4) A licensee shall be [Licensees remain] responsible for verifying that a continuing  
9 education provider has submitted a continuing education certificate of completion form to the  
10 department for a continuing education course that the licensee has successfully completed. If  
11 the continuing education provider has not submitted a continuing education certificate of  
12 completion form in accordance with subsection (3) of this section, the licensee shall submit  
13 continuing education certificate of completion to the department within the timeframes  
14 established in KRS 304.9-260 and 304.9-295. [the timely submission of a continuing education  
15 certificates of completion to the commissioner even if the provider does not fulfill their  
16 responsibilities under this section.]

17 (5) A licensee [Licensees] may carry forward up to twelve (12) excess credit hours to the  
18 subsequent continuing education biennium.

19 (6) If the department does not receive proof of fulfillment of a licensee's continuing  
20 education requirement on or before the deadline established in KRS 304.9-260 and 304.9-295,  
21 the commissioner shall:

22 (a) Make information of the deficiency available to the licensee; and

23 (b) Terminate the license if proof of completion of the deficient hours is not received as pre-

1 scribed by KRS 304.9-295.

2 (7) A licensee [~~Licensees~~] whose license is terminated due to the failure to submit the  
3 certification of continuing education by the required deadline established in KRS 304.9-260 and  
4 304.9-295 shall:

5 (a) Have the license reissued within twelve (12) months of the license termination if the  
6 licensee:

7 1. Satisfies the delinquent continuing education requirements;

8 2. Submits a new application with required attachments included within Section 2(1) or  
9 Section 3(1) of this administrative regulation for a license; and

10 3. Submits the applicable fees established in 806 KAR 4:010; or

11 (b) Complete [~~Be required to complete~~] all licensing requirements specified in KRS Chapter  
12 304, Subtitle 9 and this administrative regulation if [~~after~~] the continuing education delinquency  
13 remains unsatisfied for twelve (12) months or longer.

14 (8) A licensee may seek exemption from continuing education [~~Continuing Education~~]  
15 requirements by completing a Form CE AFF 304, Affidavit for Exemption from Continuing  
16 Education Requirement.

17 (a) An agent exempted from continuing education requirements on the basis of a supporting  
18 affidavit that the agent license is maintained for the sole purpose of receiving renewals or  
19 deferred commissions may withdraw the continuing education exemption and may have all  
20 restrictions against selling, soliciting, and negotiating insurance removed from the agent license  
21 by:

22 1. Completing the continuing education requirements for the immediate preceding  
23 continuing education biennium;

- 1        2. Providing a certification of completion of those continuing education requirements; and
- 2        3. Providing a signed, written statement withdrawing the affidavit.

3        (b) The false use of a supporting affidavit that the agent license is maintained for the sole  
4 purpose of receiving renewals or deferred commissions for any reason, including for the purpose  
5 of obtaining an extension for completion of continuing education requirements for a continuing  
6 education biennium, shall be a violation of KRS 304.9-295 and shall subject the affiant to  
7 suspension or revocation of the agent license.

8        (9) Members of the Armed Forces who have been mobilized or deployed in support of their  
9 duties may:

10       (a) Request an extension of time for completion of continuing education requirements, in  
11 accordance with KRS 304.9-260(3), by filing with the department the Form MLW-01, Request  
12 for Waiver of Renewal Procedures or Exemption from Examination or Extension for Continuing  
13 Education Due to Active Military Service Deployment; or

14       (b) Request a waiver of continuing education requirements in accordance with KRS 304.9-  
15 260(3).

16       Section 6. Business Entity Agent Application and Designation.

17       (1) A business entity applying for a license in accordance with KRS Chapter 304 Subtitle 9 or  
18       Subtitle 10 [~~seeking an agent license pursuant to KRS 304.9-130~~] shall submit to the  
19       department:

20       (a) Form 8301-BE, Uniform Application for Business Entity Insurance License; and

21       (b) The applicable fee established in 806 KAR 4:010.

22       (2) A business entity shall submit Form 8305, Business Entity Designation or Termination of  
23       Designation Form, to designate or terminate individuals authorized to act under the business

1 entity's license or appointments.

2 Section 7. Agent Appointment.

3 (1) Each insurer shall appoint each agent acting on the insurer's behalf within fifteen (15)  
4 days of the agent contract's execution or the date on which the agent submits their first  
5 application to the insurer, whichever is earlier, in accordance with [~~as established by~~] KRS  
6 304.9-270.

7 (2) An insurer seeking approval of an agent's appointment shall submit to the department:

8 (a) Form 8302-AP, Producer Appointment; and

9 (b) The [~~the~~] applicable filing fee established in 806 KAR 4:010.

10 (3) An insurer terminating an appointment pursuant to KRS 304.9-280 shall submit Form  
11 8302-TE, Termination of Producer Appointment within thirty (30) days following the effective  
12 date of an agent's termination.

13 (4) The requirements of this section shall apply to both individual and business entity agent  
14 appointments.

15 Section 8. Record Correction. A licensee shall submit Form 8303, Record Correction Form to  
16 the department [~~with the commissioner~~] to make a change or update the licensee's:

17 (1) Name;

18 (2) Address;

19 (3) Phone number;

20 (4) Email address; and

21 (5) Name in which the licensee is doing business. [~~name and address.~~]

22 Section 9. Material Incorporated by Reference.

23 (1) The following material is incorporated by reference:

- 1 (a) Form CPL-01, "Certificate of Pre-licensing Course Completion," (8/2019);
- 2 (b) Form 8301, "NAIC Individual Insurance Producer License Application," (8/2019);
- 3 (c) Form 8301-BE, "Uniform Application for Business Entity Insurance License
- 4 Application," (8/2019);
- 5 (d) Form 8302-AP, "Producer Appointment," (8/2019);
- 6 (e) Form 8302-TE, "Termination of Producer Appointment," (8/2019);
- 7 (f) Form 8305, "Business Entity Designation or Termination of Designation Form," (8/2019);
- 8 (g) Form 8304, "Examination Retake Form," (8/2019);
- 9 (h) Form KYP-01, "Provider Approval Application," (8/2019);
- 10 (i) Form CE/PL-100, "Course Approval Application," (8/2019);
- 11 (j) Form CE/PL-200, "Instructor Approval Application," (8/2019);
- 12 (k) Form CE-301, "Approved Continuing Education Certificate of Completion," (12/2019);
- 13 (l) Form CE AFF 304, "Affidavit for Exemption from Continuing Education," (8/2019);
- 14 (m) Form 8303, "Record Correction Form," (8/2019);
- 15 (n) Form MLW-01, "Request for Waiver of Renewal Procedures or Exemption from
- 16 Examination or Extension for Continuing Education Due to Active Military Service
- 17 Deployment," (8/2019);
- 18 (o) "NAIC Uniform Continuing Education Reciprocity Course Filing Form," (8/2019); and
- 19 (p) "Recommended Guidelines for Online Courses", National Association of Insurance
- 20 Commissioners, 3/2015.

21 This material may be inspected, copied or obtained, subject to applicable copyright law, at the

22 Kentucky Department of Insurance, Mayo-Underwood Building, 500 Mero Street ~~[- 215 West~~

23 ~~Main Street]~~, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.

## PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held at 9:00 AM November 24th, 2020 at 500 Mero Street, Frankfort, KY 40602. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be canceled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through 11:59 PM on November 30, 2020. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person below.

Contact Person: DJ Wasson  
Title: Deputy Commissioner  
Address: 500 Mero Street, Frankfort, KY 40601  
Phone: +1 (502) 564-6026  
Fax: +1 (502) 564-1453  
Email: [dj.wasson@ky.gov](mailto:dj.wasson@ky.gov)



## REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Regulation: 806 KAR 9:025

Contact Person: DJ Wasson

Phone: +1 (502) 564-6026

Email: dj.wasson@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation establishes the guidelines for individual agents, business entities, consultants, and adjusters to become licensed, obtain appointments, as required, in Kentucky, maintain their licenses through the completion of continuing education, and surrender their license voluntarily or have their appointment terminated by an insurer.

(b) The necessity of this administrative regulation: This administrative regulation is necessary to provide additional information to clarify the licensing requirements for adjusters and apprentice adjusters.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 304.2-110 authorizes the Commissioner of Insurance to promulgate administrative regulations necessary for or as an aid to the effectuation of any provisions of the Kentucky Insurance Code. KRS 304.9-080 requires the commissioner to prescribe and furnish all forms required for licenses and appointments under Subtitle 9 of the insurance code. KRS 304.9-105 requires the commissioner to promulgate administrative regulations to mandate a prelicensing course of study for all agents except for a variable life and variable annuities line of authority and limited lines of authority. KRS 304.9-230 requires the commissioner to promulgate administrative regulations regarding a prelicensing course of study for limited lines of authority. KRS 304.9-160 requires the commissioner to establish the examination process, and KRS 304.9-170 provides exemptions to the examination requirement. KRS 304.9-270 requires the commissioner to prescribe a form required for appointment of individual and business entity agents. KRS 304.9-295 requires the commissioner to establish forms and standards for the approval of pre-licensing and continuing education course providers, instructors, and courses. This administrative regulation establishes the guidelines for individual agents, business entities, consultants, and adjusters to become licensed, obtain appointments, as required, in Kentucky, maintain their licenses through the completion of continuing education, and surrender their license voluntarily or have their appointment terminated by an insurer.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation will provide the Department with the necessary information to appropriately and effectively evaluate an applicant for licensure.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: This amendment adopts the annuity training requirements related to the National Association of Insurance Commissioner's (NAIC) model law related to Suitability on Annuity Transactions. Additionally, the amendment updates the address of the Department of Insurance.

(b) The necessity of the amendment to this administrative regulation: The amendment is

necessary to ensure agents selling annuities receive the proper training and to ensure the general public is informed of the Department's new address.

(c) How the amendment conforms to the content of the authorizing statutes: KRS 304.2-110 authorizes the Commissioner of Insurance to promulgate administrative regulations necessary for or as an aid to the effectuation of any provisions of the Kentucky Insurance Code. KRS 304.9-080 requires the commissioner to prescribe and furnish all forms required for licenses and appointments under Subtitle 9 of the insurance code. KRS 304.9-105 requires the commissioner to promulgate administrative regulations to mandate a prelicensing course of study for all agents except for a variable life and variable annuities line of authority and limited lines of authority. KRS 304.9- 230 requires the commissioner to promulgate administrative regulations regarding a prelicensing course of study for limited lines of authority. KRS 304.9-160 requires the commissioner to establish the examination process, and KRS 304.9-170 provides exemptions to the examination requirement. KRS 304.9-270 requires the commissioner to prescribe a form required for appointment of individual and business entity agents. KRS 304.9-295 requires the commissioner to establish forms and standards for the approval of pre-licensing and continuing education course providers, instructors, and courses. This administrative regulation establishes the guidelines for individual agents, business entities, consultants, and adjusters to become licensed, obtain appointments, as required, in Kentucky, maintain their licenses through the completion of continuing education, and surrender their license voluntarily or have their appointment terminated by an insurer.

(d) How the amendment will assist in the effective administration of the statutes: The amendment will conform to the national training requirements for agents selling annuities.

(3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation: The amendment will impact the approximately 19,795 agent licensed to sell annuities in Kentucky.

(4) Provide an analysis of how the entities identified in the previous question will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions each of the regulated entities have to take to comply with this regulation or amendment: All agents licensed to sell annuities must complete the required training listed the amendment.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities: Each approved provider can establish its own cost for offering the training course.

(c) As a result of compliance, what benefits will accrue to the entities: As a result of compliance, licensees will be appropriately trained on the sale of annuity products, as required to maintain their license.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: Implementation of this amendment is not anticipated to have an initial cost on

the Department of Insurance.

(b) On a continuing basis: Implementation of this amendment is not anticipated to have an on-going cost on the Department of Insurance.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: The Department will use funds from its current operational budget to perform the tasks necessary.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: An increase of fees will not be necessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This administrative regulation does not establish any fees.

(10) TIERING: Is tiering applied? Explain why or why not. Tiering is not applied because this regulation applies equally to all licensees.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Regulation: 806 KAR 9:025  
Contact Person: DJ Wasson  
Phone: +1 (502) 564-6026  
Email: dj.wasson@ky.gov

- (1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation?
- (2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 304.2-110, 304.9-080, 304.9-105, 304.9-160, 304.9-170, 304.9-230, 304.9-270, 304.9-295
- (3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect. If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.
  - (a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This administrative regulation will not generate significant revenue for the Department of Insurance for the first year
  - (b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This administrative regulation will not generate significant revenue for the Department of Insurance for subsequent years
  - (c) How much will it cost to administer this program for the first year? There should not be a significant cost to administer this program initially
  - (d) How much will it cost to administer this program for subsequent years? ? There should not be a significant cost to administer this program in subsequent years

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

- (4) Revenues (+/-): Neutral
- (5) Expenditures (+/-): Neutral
- (6) Other Explanation:

## SUMMARY OF MATERIAL INCORPORATED BY REFERENCE

### 806 KAR 9:025

Form CPL-01, "Certificate of Pre-licensing Course Completion," (8/2019); a form submitted to the department to inform the department that an individual has completed pre-licensing course requirements.

Form 8301, "NAIC Individual Insurance Producer License Application," (8/2019); Form 8301-BE, "Uniform Application for Business Entity Insurance License Application," (8/2019); is a form that individuals will fill out and file with the department once all pre-licensing requirements have been met, examinations have been completed.

Form 8302-AP, "Producer Appointment," (8/2019); a form filed by the insurer to seek the approval of producer appointment by the department.

Form 8302-TE, "Termination of Producer Appointment," (8/2019); a form filed by the insurer within 30 days, to the department to notify of termination of producer appointment.

Form 8305, "Business Entity Designation or Termination of Designation Form," (8/2019); a form filed to the department for a business entity to approve its designation or terminate a previous designation.

Form 8304, "Examination Retake Form," (8/2019); a form filed to the department on behalf of an applicant to request and re-examination.

Form KYP-01, "Provider Approval Application," (8/2019); a form submitted to the department to request an entity to be a course provider.

Form CE/PL-100, "Course Approval Application," (8/2019); a form submitted to the department requesting that a course provided by the provider to be approved by the department.

Form CE/PL-200, "Instructor Approval Application," (8/2019); a form submitted to the department to approve a provider instructor.

Form CE-301, "Approved Continuing Education Certificate of Completion," (12/2019); this form is filed to the department for the approval of the licensee's completion of continuing education requirements.

Form CE AFF 304, "Affidavit for Exemption from Continuing Education," (8/2019); this form is filed to the department to support the agent's exemption from continuing education requirements.

Form 8303, "Record Correction Form," (8/2019); this form is filed with the department to correct personal information.

Form MLW-01, "Request for Waiver of Renewal Procedures or Exemption from Examination or Extension for Continuing Education Due to Active Military Service Deployment," (8/2019); this form is filed with the department by active military members to request an extension of time for completion of continuing education requirements.

"NAIC Uniform Continuing Education Reciprocity Course Filing Form," (8/2019); this form is filed with the department by an education provider if the course needing approval is offered in other states.

"Recommended Guidelines for Online Courses", National Association of Insurance Commissioners, 3/2015; this guidance proposed by the NAIC is utilized to help build the course hour requirements for education courses being created and approved.