

PUBLIC PROTECTION CABINET
Department of Insurance
Agent Licensing Division
(Amended at ARRS Committee)

806 KAR 9:025. ~~Agent~~ Licensing process.

RELATES TO: KRS ~~165A.330~~, 304.4-010, ~~304.9-030~~, 304.9-105, 304.9-130, 304.9-150, 304.9-160, 304.9-230, ~~304.9-260/304.-260/~~, 304.9-270, 304.9-295, 304.9-320, 304.9-430, 304.14-642

STATUTORY AUTHORITY: KRS 304.2-110, 304.9-080, 304.9-105, ~~304.9.133~~, 304.9-160, 304.9-170, 304.9-230, 304.9-270, ~~304.9-280~~, 304.9-295

NECESSITY, FUNCTION, AND CONFORMITY: 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 ~~prelicensing/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.

Section 1. ~~Pre-~~Licensing Course Requirements.

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

- (a) Seeking a limited line of authority under KRS 304.9-230; or
- (b) Exempt pursuant to KRS 304.9-170.

(2)

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

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

- 1. A Form KYP-01, Provider Approval Application, submitted once to become an approved course provider;
- 2. A Form CE/PL-100, Course Approval Application, for each course the approved provider wants to offer;
- 3. A Form CE/PL-200, Instructor Approval Application, for each course instructor;
- 4. The fee, as applicable, established for provider, instructor, and course approval in 806 KAR 4:010; and

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

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

(d) ~~If approved,~~ A prelicensing course of study approved by the commissioner shall be renewed biennially.

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

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

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

Section 2. Agent ~~Licensing~~~~Examinations~~.

(1) An applicant ~~All applicants~~ for an individual agent~~a~~ license, other than a preneed funeral agent license provided under 806 KAR 9:370, shall file with the ~~department~~~~commissioner~~:

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

(b) Documentation demonstrating successful completion of any required prelicensing ~~course~~~~courses~~;

(c) A completed background check through the Kentucky Administrative Office of the Courts; and

(d) Payment of the fees applicable to the license and lines of authority sought in accordance with~~according to~~ KRS 304.4-010 and 806 KAR 4:010.

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

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

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

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

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

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

(e) For a personal lines line of authority~~lines~~, a property and casualty personal lines examination;

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

(g) For a variable life and variable annuity products line of authority~~product~~~~products~~, no examination is required.

(4) An examination ~~Examinations~~ shall only be required for individual applicants applying for the following limited lines of authority identified in KRS 304.9-230:

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

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

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

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

(a) Form 8304, Examination Retake Form; and

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

Section 3. Adjuster ~~Licensing~~~~Examinations~~.

- (1) An applicant for an adjuster license shall file with the department:
- (a) A completed Form 8301, NAIC Individual Insurance ~~Producer~~ License Application;
 - (b) A completed background check through the Kentucky Administrative Office of the Courts; and
 - (c) The applicable fee established in 806 KAR 4:010.
- (2) An individual applying for an adjuster line of authority identified in KRS 304.9-430(7) ~~for (8)~~ shall:
- (a) For a property and casualty line of authority, successfully complete a property and casualty adjuster examination;
 - (b) For a workers' compensation line of authority, successfully complete a workers' compensation adjuster examination; and
 - (c) For a crop line of authority, either:
 1. Successfully complete a crop adjuster examination; or
 2. Demonstrate certification through the Crop Adjuster Proficiency Program, by providing to the department a copy of a Crop Adjuster Proficiency Program certification identification card with an active status issued by the federal Risk Management Agency, an agency within the U.S. Department of Agriculture, which specifies the applicant has passed a proficiency examination to adjust multi-peril crop claims.
- (3) ~~(2)~~ Every applicant for a license ~~for which required to take~~ an examination is required shall answer correctly seventy (70) percent of the questions to pass the examination.
- (4) To retake an examination, an applicant shall submit to the department:
- (a) Form 8304, Examination Retake Form; and
 - (b) The applicable examination retake fees established in 806 KAR 4:010.

Section 4. Consultant ~~Licensing Examination~~.

- (1) An applicant for a consultant license shall :
- (a) File with the department:
 1. ~~(a)~~ A completed Form 8301, NAIC Individual Insurance ~~Producer~~ License Application;
 2. A completed background check through the Kentucky Administrative Office of the Courts; and
 3. ~~(b)~~ Payment of the fees applicable to the license in accordance with KRS 304.4-010 and 806 KAR 4:010 ; and
 - (b) Successfully complete the consultant examination .
- (2) The documents and fees required ~~under in~~ subsection (1) (a) of this section shall be submitted prior to scheduling an examination.
- (3) An applicant for a consultant license shall answer correctly seventy (70) percent of the questions to pass the consultant examination ~~and obtain a license~~.
- (4) To retake an examination, an applicant shall submit to the department:
- (a) Form 8304, Examination Retake Form; and
 - (b) The applicable examination retake fees established in 806 KAR 4:010.

Section 5. Continuing Education.

- (1)
- (a) Continuing education providers, instructors, and courses shall be approved by the commissioner unless specifically exempted by KRS 304.9-295.
 - (b) ~~(a)~~ To apply for approval as a continuing education provider, an applicant ~~Continuing~~ ~~education courses providers~~ shall submit to the department:
 1. A ~~a~~ completed Form KYP-01, Provider Approval Application; and

2. For ~~new~~ proprietary schools ~~education providers~~, documentation of licensure approval by the Kentucky Commission on Proprietary Education.

(c) ~~(b)~~ To apply for approval as of a continuing education instructor, an approved continuing education provider ~~{Continuing education course instructors}~~ shall submit to the department:

1. ~~A~~ ~~an~~ completed Form CE/PL-200, Instructor Approval Application; and
2. The applicable fee established in 806 KAR 4:010.

(d) ~~(c)~~

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

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

(e) ~~(d)~~ The commissioner shall consider the following in determining approval of a continuing education course~~{courses}~~:

1. Whether the applicant has remitted all fees due once the total credit hours are determined pursuant to 806 KAR 4:010; and
2. Whether the continuing education course contributes directly, at a professional level, to the competence of the licensee with respect to the following subjects:
 - a. Insurance, annuities, and risk management;
 - b. Insurance laws and administrative regulations;
 - c. Mathematics, statistics, and probability;
 - d. Economics;
 - e. Business law;
 - f. Finance;
 - g. Taxes;
 - h. Agency management including all aspects of agency operations that support the long- term stability of the agency system and encourage the service and protection of customers;
 - i. Ethics; ~~and for~~
 - j. Other topics approved by the commissioner which contribute directly at a professional level to the competence of the licensee.

(f) ~~(e)~~ The continuing education course shall:

1. Include current, relevant, accurate, and valid reference materials, graphics, and interactivity;
2. Have clearly defined objectives and course completion criteria;
3. Have a written outline and study materials or texts; and
4. Include a means for evaluation.

(g) ~~(f)~~ A self-study course ~~{Self-study courses}~~ shall require successful completion of an examination.

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

1. Any course used to prepare for taking an examination required pursuant to KRS Chapter 304;
2. Committee service for professional organizations;
3. Computer training to develop functional skills; and
4. Motivational or self-help courses.

(i) ~~[(h)]~~ The commissioner shall measure continuing education course credit hours by the following:

1. Each credit hour for live instruction courses, completed in a classroom, by video, teleconference, or computer, shall include at least fifty (50) minutes of continuous instruction or participation; ~~and [.]~~
2. Each credit hour for recorded self-study courses, completed online or by correspondence, shall be calculated in accordance with the ~~[National Association of Insurance Commissioners']~~ Recommended Guidelines for Online Courses.

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

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

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

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

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

(c)

1. An individual agent ~~[Any individual licensee]~~ who holds a life line of authority shall successfully complete four (4) hours of initial training, prior to the sale, solicitation, or negotiation of annuities, unless the agent~~[licensee]~~ has documented the completion of substantially similar training in another state, that shall include at a minimum information on the following topics:

- a. ~~[1.]~~ The types of annuities and various classifications of annuities;
- b. ~~[2.]~~ Identification of the parties to an annuity;
- c. How product specific annuity contract features affect consumers ~~[3. The manner in which fixed, variable, and indexed annuity contract provisions affect consumers];~~
- d. ~~[4.]~~ The application of income taxation of qualified and non-qualified annuities;
- e. ~~[5.]~~ The primary uses of annuities; and
- f. ~~[6.]~~ Appropriate standard of conduct, sales practices, replacement, and disclosure requirements.

2. The training required by subparagraph 1. of this paragraph ~~[(c)]~~ shall not include:

- a. Marketing information;
- b. Training on sales techniques; or
- c. Specific information about a particular insurer's products.

3. Except as provided in subparagraph 4. of this paragraph ~~[(d)]~~ an agent who has completed an annuity training course approved by the department prior to

January 1, 2022 ~~July 1, 2021~~ shall, within six (6) months after January 1, 2022 ~~July 1, 2021~~, complete either:

a. A new four (4) credit hour ~~credit~~ training course approved by the Department of Insurance and provided by a Department of Insurance-approved education provider; or

b. An additional one-time one (1) credit hour training course approved by the Department of Insurance and provided by a Department of Insurance-approved education provider on appropriate sales practices and ~~re~~ replacement and disclosure requirements under 806 KAR 12:120.

4. ~~2.~~ A non-resident agent who has completed a training course that is substantially similar to the training course required in subparagraph 3. ~~1.~~ of this paragraph shall meet the requirements of subparagraph 3. ~~1.~~ of this paragraph.

(3) A continuing ~~Continuing~~ education provider~~s~~ shall:

(a) Within thirty (30) days of completion of a continuing education course, submit electronically through the department's Web site, <http://insurance.ky.gov>, ~~to the commissioner~~ the Continuing Education Certificate of Completion forms and attendance roster for all licensees who satisfactorily completed the course;

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

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

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

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

(6)

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

1. ~~(a)~~ Make information of the deficiency available to the licensee; and

2. ~~(b)~~ Terminate the license if proof of completion of the deficient hours is not received as prescribed by KRS 304.9-295.

(b) ~~(7)~~ A licensee ~~Licensees~~ whose license is terminated pursuant to paragraph (a) of this subsection~~due to the failure to submit the certification of continuing education by the required deadline established in KRS 304.9-260 and 304.9-295~~ shall:

1. ~~(a)~~ Have the license reissued within twelve (12) months of the license termination if the licensee:

a. ~~1.~~ Satisfies the delinquent continuing education requirements;

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

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

2. ~~(b)~~ Complete ~~Be required to complete~~ all licensing requirements specified in KRS Chapter 304, Subtitle 9 and this administrative regulation ~~if~~ after the

continuing education delinquency remains unsatisfied for twelve (12) months or longer.

(7).

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

~~(b) ~~[(a)]~~~~ An agent exempted from continuing education requirements in accordance with paragraph (a) of this subsection~~on the basis of a supporting affidavit that the agent license is maintained for the sole purpose of receiving renewals or deferred commissions~~ may withdraw the continuing education exemption and may have all restrictions against selling, soliciting, and negotiating insurance removed from the agent license by:

1. Completing the continuing education requirements for the immediate preceding continuing education biennium;
2. Providing a certification of completion of those continuing education requirements; and
3. Providing a signed, written statement withdrawing the affidavit.

~~(c) ~~[(b)]~~~~ The false use of Form CE AFF 304, Affidavit for Exemption from Continuing Education~~a supporting affidavit that the agent license is maintained for the sole purpose of receiving renewals or deferred commissions~~ for any reason, including for the purpose of obtaining an extension for completion of continuing education requirements for a continuing education biennium, shall be a violation of KRS 304.9-295 and shall subject the affiant to suspension or revocation of the agent license.

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

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

~~[(b)]~~ ~~[Request a waiver of continuing education requirements in accordance with KRS 304.9-260(3)]~~.

Section 6. Business Entity Agent Application and Designation.

(1) A business entity applying for a license in accordance with KRS Chapter 304 Subtitle 9 or Subtitle 10, other than a preneed funeral agent license provided under 806 KAR 9:370,~~[seeking an agent license pursuant to KRS 304.9-130]~~ shall submit to the department:

- (a) Form 8301-BE, NAIC~~Uniform Application for~~ Business Entity Insurance License Application; and
- (b) The applicable fee established in 806 KAR 4:010.

(2) A business entity shall submit Form 8305, Business Entity Designation or Termination of Designation Form, to designate or terminate individuals authorized to act under the business entity's license ~~or~~~~and~~ appointments.

Section 7. Agent Appointment.

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

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

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

- (b) ~~The [the]~~ applicable filing fee established in 806 KAR 4:010.
- (3) An insurer terminating an appointment pursuant to KRS 304.9-280 shall submit Form 8302-TE, Termination of Producer Appointment within thirty (30) days following the effective date of an agent's termination.
- (4) The requirements of this section shall apply to both individual and business entity agent appointments.

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

- (1) Name;
- (2) Address;
- (3) Phone number;
- (4) Email address; and
- (5) Name in which the licensee is doing business. ~~[name and address.]~~

Section 9. Material Incorporated by Reference.

- (1) The following material is incorporated by reference:
- (a) Form CPL-01, "Certificate of Prelicensing~~[Pre-licensing]~~ Course Completion," (8/2019);
 - (b) Form 8301, "NAIC Individual Insurance ~~[Producer]~~ License Application," ~~(9/2021)~~~~(11/2020)~~~~(8/2019)~~;
 - (c) Form 8301-BE, "NAIC~~Uniform Application for~~ Business Entity Insurance License Application," ~~(9/2021)~~~~(8/2019)~~;
 - (d) Form 8302-AP, "Producer Appointment," ~~(9/2021)~~~~(8/2019)~~;
 - (e) Form 8302-TE, "Termination of Producer Appointment," ~~(9/2021)~~~~(8/2019)~~;
 - (f) Form 8305, "Business Entity Designation or Termination of Designation Form," ~~(9/2021)~~~~(8/2019)~~;
 - (g) Form 8304, "Examination Retake Form," ~~(9/2021)~~~~(8/2019)~~;
 - (h) Form KYP-01, "Provider Approval Application," ~~(9/2021)~~~~(8/2019)~~;
 - (i) Form CE/PL-100, "Course Approval Application," (8/2019);
 - (j) Form CE/PL-200, "Instructor Approval Application," (8/2019);
 - (k) Form CE-301, "Approved Continuing Education Certificate of Completion," ~~(9/2021)~~~~(12/2019)~~;
 - (l) Form CE AFF 304, "Affidavit for Exemption from Continuing Education," ~~(9/2021)~~~~(8/2019)~~;
 - (m) Form 8303, "Record Correction Form," ~~(9/2021)~~~~(8/2019)~~;
 - (n) Form MLW-01, "Request for Waiver of Renewal Procedures or Exemption from Examination or Extension for Continuing Education Due to Active Military Service Deployment," ~~(9/2021)~~~~(8/2019)~~;
 - (o) "NAIC Uniform Continuing Education Reciprocity Course Filing Form," (8/2019); and
 - (p) "Recommended Guidelines for Online Courses", National Association of Insurance Commissioners, 3/2015.

(2) This material may be inspected, copied or obtained, subject to applicable copyright law, at the Kentucky Department of Insurance, Mayo-Underwood Building, 500 Mero Street~~[215 West Main Street]~~, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m. *This material is also available on the Department's Web site at <https://insurance.ky.gov/ppc/CHAPTER.aspx>.*

(46 Ky.R. 1866; eff. 3-3-2020; 47 Ky.R. 806, 1600; 48 Ky.R. 1141; eff. 1-4-2022.)

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