



ARIZONA STATE SENATE
Fifty-First Legislature, First Regular Session

FACT SHEET FOR H.B. 2358

insurance; licensees; continuing education requirements

Purpose

Modifies continuing education (CE) requirements for the renewal of insurance licenses.

Background

Arizona Revised Statutes (A.R.S.) requires that a person be licensed to sell, solicit or negotiate insurance in this state (A.R.S. § 20-282). Insurance professionals in this state may receive a resident license through the Department of Insurance (DOI) or practice under a nonresident license.

Under current statute, renewal of an Arizona resident license requires the completion of at least 40 hours of CE only if the license holder also held a current nonresident license to transact insurance in another state. A licensee holding only a nonresident license must meet the CE requirements of their resident state (A.R.S. § 20-2901 and § 20-2902).

There is no impact to the state General Fund associated with this legislation.

Provisions

1. Modifies the definition of a *licensee* to include any individual insurance producer licensed for major line insurance.
2. Requires a licensee to complete 48 credit hours of CE, including a minimum of six credit hours ethics training, to renew an Arizona insurance license beginning January 1, 2014.
3. Requires a licensee whose renewal period commenced before January 1, 2014, to complete 40 hours of CE, if that licensee held a nonresident license in another state at any time during that license period.
4. Applies resident license renewal requirements to nonresident licensees whose home states do not have CE requirements.
5. Exempts licensees who, as of January 1, 2014, have met the following criteria:
 - a) must have been continually licensed since January 1, 1995,
 - b) may not have held a nonresident insurance provider license in another state at any time since January 1, 1995, and

FACT SHEET

H.B. 2358

Page 2

- c) may not at any time have been the subject of an order issued by the DOI Director requiring suspension, revocation or nonrenewal of a license; the cessation of practice; or the payment restitution or a civil penalty for violation of A.R.S. Title 20.
- 6. States that a licensee instructing an approved CE course is entitled to twice the number of credit hours assigned to that course.
- 7. Specifies that a licensee can only receive credit for a specific CE course once per license period.
- 8. Stipulates that the total credit hours earned and the number of credit hours for ethics training be included on a certificate of compliance awarded for successful CE course completion.
- 9. Prohibits a licensee from renewing a resident license unless evidence of completed CE credit hours is provided to the Director.
- 10. Defines *continually licensed*, *ethics training* and *nonresident licensee*.
- 11. Makes technical and conforming changes.
- 12. Becomes effective on the general effective date.

House Action

IR	1/29/13	DPA	8-0-0-0
3 rd Read	2/13/13		51-8-1-0

Prepared by Senate Research
February 25, 2013
BR/DF/ly