

1 **11 NCAC 06A .0704 IS PROPOSED FOR AMENDMENT AS FOLLOWS:**

2
3 **11 NCAC 06A .0704 COURSES**

4 (a) This Rule establishes minimum standards for property, casualty, personal lines, life, accident and health or sickness
5 and Medicare supplement, and long term care insurance prelicensing courses required under G.S. 58-33-30.

6 (b) Insurance prelicensing programs shall comprise courses in the following subjects:

- 7 (1) Accident and health or sickness;
- 8 (2) Casualty;
- 9 (3) Life;
- 10 (4) Medicare supplement insurance and long-term care insurance;
- 11 (5) Personal lines; and
- 12 (6) Property.

13 (c) A school shall not offer a property, casualty, personal lines, life, accident and health or sickness course comprising
14 fewer than 20 hours or a Medicare supplement and long term care course comprising fewer than 10 hours.

15 (d) The following requirements are course standards:

- 16 (1) All courses shall consist of instruction in the subject areas described in G.S. 58-33-30(d)(2) and 58-33-
17 30(d)(3).
- 18 (2) Courses may also include coverage of related subject areas not prescribed by the Commissioner;
19 however, such courses must provide additional class time, above the minimum requirement stated in
20 Paragraph (c) of this Rule, for the coverage of such subject areas.
- 21 (3) Prelicensing courses shall be for instructional purposes only and not for promoting the interests of or
22 recruiting employees for any particular insurance agency or company.
- 23 (4) Schools shall establish and enforce academic standards for course completion that assure that students
24 receiving a passing grade possess knowledge and understanding of the subject areas prescribed for the
25 course. In any course for which college credit is awarded, the passing grade for such course shall be
26 the same as the grade that is considered passing under the school's uniform grading system.
- 27 (5) Schools shall conduct a final comprehensive course examination that covers all subject areas
28 prescribed by the Commissioner for each course. Schools may allow a student to make up a missed
29 examination or to retake a failed examination in accordance with policies adopted by the school. No
30 final examination shall be given until a student has completed the instructional requirement.
31 Correspondence study programs shall administer a supervised examination by a disinterested third
32 party who shall sign a sworn affidavit certifying the authenticity of the examination. The provider
33 shall retain the affidavit and examination records for five years.
- 34 (6) Students shall attend a minimum of 20 hours of property, casualty, personal lines, life, accident and
35 health or sickness instruction or a minimum of 10 hours of Medicare supplement and long term care
36 instruction. Time set aside for breaks, pop-tests, quizzes, the final comprehensive course examination
37 and other non-instructional activities ~~shall~~ does not count toward the minimum instructional

1 requirement. If a property, casualty, personal lines, life, accident and health or sickness course is
 2 scheduled for 25 or more instructional hours, a student shall attend at least 80 percent of the total hours
 3 offered by the course.

4 (e) The following requirements shall be met for scheduling purposes:

- 5 (1) Class meetings or correspondence courses shall be limited to a maximum of eight hours of instruction
 6 in any given day.
- 7 (2) Classroom courses shall have fixed beginning and ending dates and may not be conducted on an
 8 open-entry/open-exit basis.
- 9 (3) Correspondence or Internet courses shall not have fixed beginning and ending dates and shall be
 10 conducted on an open-entry basis.

11 (f) The following ~~shall~~ apply to the use of text books:

- 12 (1) Choice of classroom course text is at the discretion of each school.
- 13 (2) Text books used in correspondence or Internet courses shall be approved by the Commissioner before
 14 use. No text book used in a correspondence course shall be approved unless it contains instruction in
 15 the subject areas described in G.S. 58-33-30(d)(2) and 58-33-30(d)(3).

16 (g) All preclicensing classroom school courses shall be taught by instructors who meet the qualifications described in
 17 Rule .0705 of this Section.

18 (h) All preclicensing correspondence courses shall be monitored by instructors who meet the qualifications described in
 19 Rule .0705 of this Section. An instructor shall be designated for each correspondence or Internet course student.

20 (i) The following certification of course completion procedures ~~shall apply:~~ applies:

- 21 (1) Schools shall validate each student who successfully completes a preclicensing course with an
 22 Examination Admission Ticket/Certificate of Course Completion. The Examination Admission
 23 Ticket/Certificate of Course Completion shall not be validated for a student prior to completion of all
 24 course requirements and the passing of the course's comprehensive final examination. Applicants who
 25 complete their preclicensing course requirement by attending a correspondence course shall not have
 26 their Examination Admission Ticket/Certificate of Course Completion validated until they submit to
 27 the instructor of the course a sworn affidavit signed by a third party who was the instructor or program
 28 director of the course. The affidavit shall state that the applicant has completed all course
 29 requirements and passed the final course examination as required by this rule.
- 30 (2) An Examination Admission Ticket/Certificate of Course Completion shall be ~~validated~~ signed by the
 31 instructor for each course successfully completed by a student. An Examination Admission
 32 Ticket/Certificate of Course Completion presented at the examination site that indicates completion of
 33 more than one course ~~shall be~~ is invalid.
- 34 (3) An Examination Admission Ticket/Certificate of Course Completion ~~shall be~~ is valid for access to the
 35 examination for 90 days or a maximum of five examination attempts, whichever occurs first. If an
 36 applicant for a license does not successfully pass the examination within 90 days or five examination

1 attempts in the 90-day period, the applicant shall again meet the prelicensing education requirement to
2 be eligible for the examination

3 (j) Correspondence courses administered through the Internet shall:

4 (1) Require each applicant to enroll for the course before having access to course material;

5 (2) Prevent access to the course exam before review of the course materials;

6 (3) Prevent downloading of any course exam; and

7 (4) Provide review questions at the end of each unit or chapter and prevent access to the final exam until
8 the student answers at least 70 percent of each set of unit or chapter questions correctly.

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10 *History Note: Authority G.S. 58-2-40; 58-33-30(d); 58-33-132; 58-58-235;*

11 *Eff. February 1, 1989;*

12 *Amended Eff. October 1, 2010; February 1, 2008; April 1, 1996; October 1, 1990.*