



Dipáttamenton Kontribusion yan Adu'ána

DEPARTMENT OF

# REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guáhan

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Date: April 1, 2018

From: Regulatory Examiner Supervisor *[Signature]*

Via: Banking and Insurance Commissioner, Acting *[Signature]*

To: ALL INSURANCE PRODUCERS (General Agents, Brokers, Surplus Lines Brokers) for P & C and L & H, Adjusters and Title Insurance

Subject: CONTINUING EDUCATION REQUIREMENTS (30GAR, §19105)

As you all know, the implementation of continuing education submittal (CEs) for this upcoming renewal period (May-June 2018) was all ready and a memorandum was sent to the industry for guidance and reference. It was finalized and awaiting approval from the Legislature way before the renewal months of May and June 2018.

It is unfortunate that issues regarding finances of Government of Guam came about and took priority over the presentation of the revised Continuing Education (12GAR) for full implementation. The Senator in Charge of representing the Department of Insurance to the Legislature has gotten so busy in the issues of Gov Guam finances along with his constituents. He did not intend to leave any of CE issues undone.

Although there is a delay in approval of the revised 12GAR on CEs for Insurance, the **CE requirements for this renewal year still stands** backed up by 30GAR, Division 3, Chapter 15, Section 19105 focusing only on the **required 15 hours continuing education**. The 14-hour requirement will surely be in effect by 2019 renewal period.

Not meeting the expected time for implementation of the CE requirement is inevitable because of the unexpected situation of the Government of Guam. **PLEASE MAKE SURE ALL YOUR PRODUCERS AND ALL CONCERNED ARE AWARE OF THIS MEMORANDUM. ALL INQUIRIES** regarding this memo **MUST BE DIRECTED TO US**, if cannot be answered by the Superiors of respective insurance companies and/or agencies.

Thank you all for your kind understanding.

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**CHAPTER 19**  
**INSURANCE CONTINUING EDUCATION**

**COMMENT:** The administrative rules and regulations relative to "Insurance Continuing Education" as authorized and provided for pursuant to applicable provisions of Chapter 12 and 15 of Title 22 of the Guam Code Annotated, were adopted pursuant to P.L. 25-134 (May 22, 2000).

- § 19101 . Authority; Legislative Findings and Intent.
- § 19102 . Purpose.
- § 19103 . Definitions.
- § 19104 . Applicability.
- § 19105 . Educational Requirements.
- § 19106 . Courses; Approval; Records.
- § 19107 . Repeated Courses.
- § 19108 . Extension of Time.
- § 19109 . Compliance.
- § 19110 . Penalty, Legal Authority, §§ 15703 and 15705 of the Insurance Laws.
- § 19111 . Severability.
- § 19112 . Effective Date.

**§ 19101. Authority; Legislative Findings and Intent.**

*I Liheslaturan Guåhan* wishes to establish government policy that would help improve the delivery of insurance protection and services to consumers in this particular industry in Guam. One approach toward this objective deals with encouraging and promoting the highest level of qualification and competency in the ranks of agents, brokers and the like who have been granted certification to sell insurance on Guam. As such, *I Liheslaturan Guåhan* finds it necessary and in the best interest of insurance consumers to examine the standard industry knowledge and educational qualification of each insurance agent, broker or similar licensee, to sell or transact insurance on Guam as a prerequisite to the renewal of the license or licenses held by such individual(s). *I Liheslaturan Guåhan* thus elects to authorize the Insurance Commissioner of Guam to promulgate the rules and regulations contained herein as a means of establishing minimum education criterion or regulations that each licensee must meet before receiving certification to transact or sell insurance on Guam. Such regulations are promulgated

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pursuant to the authority granted to the Insurance Commissioner of Guam in §§ 12212 and 15703 of Title 22 of the Guam Code Annotated.

**§ 19102. Purpose.**

The purpose of these Regulations is to establish requirements and standards for the continuing education program for persons licensed to transact or sell insurance.

**§ 19103. Definitions.**

The following terms:

- (a) "Agent";
- (b) "Broker";
- (c) "Commissioner";
- (d) "General Agent";
- (e) "Solicitor";
- (f) "Sub-Agent";
- (g) "Persons"; and
- (h) "Transact,"

as they are defined in §§ 12104 and 12201 of Articles 1 and 2, Division 2, of Title 22 of the Guam Code Annotated, known as the Insurance Law, are hereby made a part of these regulations.

**§ 19104. Applicability.**

(a) These regulations shall apply to resident persons licensed after the date of the passage of this Regulation to engage in the sale of the following classes of insurance:

- (1) life insurance, annuity contracts, variable annuity contracts and variable life insurance;
- (2) sickness, accident and health insurance;
- (3) all lines of property and casualty insurance; and
- (4) all lines of insurance for which an examination is required.

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(b) Those licensed prior to enactment of this Act and who will be renewing their license after enactment of this Act shall be exempt from the provisions of this Act.

**§ 19105. Educational Requirements.**

Resident persons licensed to sell or transact insurance shall satisfactorily complete such courses or programs as follows:

(a) any person issued a license for:

(1) life and/or death insurance,

(2) Property and/or casualty insurance, or

(3) any combination thereof issued after the date of enactment of this Regulation shall complete fifteen (15) classroom hours per year during the first three (3) years of continuous licensing.

(b) Persons licensed pursuant to § 19104(a) after July 1st in any year, will need to meet the continuing education requirement on a *pro rata* basis for their first year of licensing. Any remainder of the fifteen (15) classroom hours not completed during the year may be carried forward until the beginning of the fourth (4th) year of licensing.

(c) Any person licensed to sell or transact insurance described in this Section prior to the enactment of this Regulation shall be exempt from the provisions of this Regulation.

**§ 19106. Courses; Approval; Records.**

The courses or programs of instruction successfully completed are:

(a) Any course or program of instruction or seminar developed and/or sponsored by any admitted and licensed insurer, insurance trade or agents' associations or any independent program of instruction, shall qualify for the equivalency of the number of classroom hours assigned thereto by the Commissioner, the Insurance Association of Life Underwriters. All courses shall be submitted in writing to the Commissioner, upon completion. All courses submitted shall be of an insurance nature.

(b) Correspondence courses shall qualify for the equivalency of the number of classroom hours assigned thereto by the

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Commissioner or recognized education association, under this Regulation.

(c) A person with an insurance related designation teaching a course of instruction and lecturing at any seminar or program, shall qualify for the same number of classrooms hours as would be granted to a person taking and successfully completing such course, seminar or program.

(d) At the end of each course, the course or program provider shall present the insurance agent with a certificate of course completion and shall provide the Commissioner with a list of all insurance agents who have successfully completed the course. The providers shall maintain course records for at least three (3) years. The Commissioner may order an examination of a provider's records for good cause shown.

**§ 19107. Repeated Courses.**

A course shall not be repeated if the maximum credits have been attained or received for the same course.

**§ 19108. Extension of Time.**

For good cause shown, the Commissioner may grant an extension of time during which the requirements imposed by these regulations may be compiled for each type of life/health insurance license. The extension will not alter the requirements or due date of the succeeding educational requirement period. 'Good Cause' includes disability, natural disasters or other extenuating circumstances. Each request for extension of time shall be in writing from the Licensee and shall include details and any documentation to support the request. The Commissioner must receive each request no less than thirty (30) days before the expiration of the licensing period.

**§ 19109. Compliance.**

(a) Any person previously licensed to sell insurance whose license was not in effect on the effective date of this Regulation shall comply with all the terms and requirements of § 19105 of this Regulations, in order to be licensed.

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(b) Credits earned in one (1) license year in excess of the minimum requirements may be carried forward to apply to the license year immediately following.

**§ 19110. Penalty, Legal Authority, §§ 15703 and 15705 of the Insurance Laws.**

Any person failing to meet the requirements imposed upon him by these Regulations and who has not been granted an extension of time within which to comply pursuant to § 19105, or who has submitted to the Commissioner a false or fraudulent certificate of compliance therewith, shall, after hearing in accordance with the Administrative Adjudication Law, which may be waived by such person, be subjected to the suspension of or revocation of all licenses issued for any class or classes of insurance until such time that that person has demonstrated, to the satisfaction of the Commissioner, that the person has complied with all requirements of the Insurance Laws of Guam and these Regulations, and all other laws applicable thereto. All other remedies available to the Commissioner for false or fraudulent certificates or any misrepresentations in accordance with the Insurance Law available to the government of Guam in any law, shall be at the discretion of the Commissioner.

**§ 19111. Severability.**

If any provision of these Regulations or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of these Regulations which can be given effect without the invalid provisions or application, and to this end the provisions of these Regulations are severable.

**§ 19112. Effective Date.**

This Regulation shall take effect upon enactment and shall remain in effect, unless otherwise amended or until rescinded by law.