

## **Small Business Regulatory Fairness Board Small Business Impact Statement**

**Date:** February 22, 2016

**Rule Number:** 20 CSR 700-3.200 – Continuing Education

**Name of Agency Preparing Statement:** Department of Insurance, Financial Institutions and Professional Registration

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**Name of Person Approving Statement:** John M. Huff, Director

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**Please describe the methods your agency considered or used to reduce the impact on small businesses (examples: consolidation, simplification, differing compliance, differing reporting requirements, less stringent deadlines, performance rather than design standards, exemption, or any other mitigating technique).**

The proposed amendment eliminates the use of two forms, one of which is used by continuing education course providers and the other is used by insurance producers.

The current version of the rule requires continuing education course providers to complete a Continuing Education Certificate of Course Completion and provide the certificate to each insurance producer who earns continuing education credit hours after completing an approved course. The proposed amendment eliminates the use of this form and, in the alternative, simply requires that course providers provide specific course identifying information to insurance producers. For example, course providers can orally furnish the information to producers at the conclusion of a course, provide the information electronically, or create preprinted certificates for attendees. This gives course providers the freedom to provide the specified information in a variety of formats, all of which are less onerous and less costly.

Under the current version of the rule, insurance producers that earn continuing education credit hours by completing a self-study course must pass a proctored exam to receive credit. The exam proctor, a disinterested third party, is required to complete the Affidavit of Exam Proctor. This affidavit is retained by the insurance producer for their records, but is not submitted to the Department. The proposed amendment still requires insurance producers who complete a self-study course to pass an exam to receive credit, but eliminates the requirement that the exam be proctored, and therefore eliminates the use of the Affidavit of Exam Proctor. This will simplify

the process of obtaining continuing education credit hours for insurance producers who choose to complete a self-study course.

The proposed amendment also updates definitions and corrects a statutory citation, both of which will provide clarity for insurance producers and continuing education course providers.

**Please explain how your agency has involved small businesses in the development of the proposed rule.**

The Department circulated the proposed amendment to the Missouri Association of Insurance Agents (“MAIA”), a trade organization for individual insurance producers and business entity insurance producers. MAIA is also a continuing education course provider. MAIA had no comments on the proposed amendment.

**Please list the probable monetary costs and benefits to your agency and any other agencies affected. Please include the estimated total amount your agency expects to collect from additionally imposed fees and how the moneys will be used.**

There are no estimated monetary costs or benefits to the Department or other agencies.

**Please describe small businesses that will be required to comply with the proposed rule and how they may be adversely affected.**

Pursuant to § 375.020, prior to the filing date for a renewal application, licensed insurance producers (unless exempt) must successfully complete sixteen hours of continuing education. In the proposed amendment, the Department has simplified the process of obtaining continuing education credit hours for insurance producers who choose to complete a self-study course. In addition, the proposed amendment makes it easier and more cost-efficient for continuing education course providers to disseminate course identifying information to producers at the completion of a continuing education course. The Department does not anticipate any adverse impact on producers, providers, or any other small businesses.

**Please list direct and indirect costs (in dollars amounts) associated with compliance.**

There will not be any direct or indirect costs associated with compliance regarding the proposed amendment of 20 CSR 700-3.200.

**Please list types of business that will be directly affected by, bear the cost of, or directly benefit from the proposed rule.**

Insurance producers and continuing education course providers will benefit from the elimination of unnecessary forms. Insurance producers who are exempt from continuing education requirements will benefit from the increased clarity achieved by correcting a statutory citation and the addition of a definition for the required certificate that exempt insurance producers must

file with the Department. All insurance producers and continuing education course providers will benefit from updated definitions.

**Does the proposed rule include provisions that are more stringent than those mandated by comparable or related federal, state, or county standards?**

Yes  No