

## INSURANCE COUNCIL OF BRITISH COLUMBIA

### PROPOSED CHANGES TO CONTINUING EDUCATION FOR GENERAL INSURANCE AGENTS, ADJUSTERS AND SALESPERSONS

#### Background

The continuing education programs for general insurance agents, adjusters and salespersons (“General C/E Programs”) were originally introduced by the Insurance Council of British Columbia (“Council”) in 1994 and have remained relatively unchanged since then.

The current requirements call for every general insurance agent, salesperson and adjuster (“general licensees”) to complete a minimum number of hours of continuing education per year. To qualify as a C/E credit, a course, seminar or program must relate to either technical or professional development.

*Technical credits:* courses, programs or seminars that directly relate to general insurance knowledge or enhance expertise in a particular insurance product line or adjusting practice.

*Professional credits:* courses, programs or seminars that increase the licensee’s general business skills.

#### Review

In 2005, Council undertook a review of the General C/E Programs in response to suggestions from the industry that the programs had become outdated and did not reflect the current realities of today’s marketplace.

In developing new criteria for the General C/E Programs, Council took the opportunity to obtain industry feedback through questionnaires, town hall meetings and industry forums. In revising the General C/E Programs, Council sought to create programs that are practical and cost effective while continuing to ensure general licensees keep their insurance knowledge current.

#### Proposal

Based on industry feedback reviewed at length by a Council committee of industry representatives, a number of recommendations were developed to improve the General C/E Programs and address industry concerns. After considering these recommendations, Council is proposing the following changes to the General C/E Programs, which will come into effect on June 1, 2008.

Recommendation #1 – Continuing Education Credits

**For level 1 and level 2 general licensees, C/E credits will be narrowly defined, limiting the definition to technical credits (as defined on page one) only. As general level 3 agents and level 3 adjusters primarily relate to management and supervisory positions, the definition for these licence categories only is broadened to include courses relating to management, accounting and human resources, as well as technical.**

Council has concluded the purpose of the General C/E Programs is to develop and maintain a general licensee's knowledge of general insurance products and business. While the non-insurance areas of continuing education are useful to the overall development of a general licensee, the General C/E Programs will now focus on education directly related to developing insurance knowledge.

Recommendation #2 – Annual Number of Required C/E Credits

**The annual C/E requirement will be uniform for general insurance agents, salespersons and adjusters and set at eight credits per year.**

The General C/E Programs were developed with the "full service" licensee in mind. While this approach may be practical for a new licensee, it is common for general licensees to specialize in specific areas of insurance as their careers develop. For these individuals, finding quality C/E relevant to their specialized field is challenging.

In determining the appropriate number of credits, consideration was given to whether there is sufficient "quality" C/E available in B.C. to support the requirements of the Programs.

Recommendation #3 – Introduction of Graduated Programs

**Graduated General C/E Programs will be introduced which require a new general licensee (defined as someone with five years or less licensed experience, or someone who has been out of the industry for more than three years) to obtain a minimum of eight C/E credits per annum. After a period of five years continuous licensed experience, the requirement is reduced to a minimum of six C/E credits per annum. If a recognized insurance designation is obtained, the C/E requirement drops to four credits per annum. (Recognized insurance designations are CAIB, CIP, FCIP and CRM.)**

There is still a significant learning curve for a new general licensee. The revised General C/E Programs will be graduated, meaning that the C/E requirement for a new general licensee is higher than the requirements for an "experienced" licensee.

Graduated programs are designed to encourage and reward licensees to work towards a designation. A general licensee who attains a recognized designation prior to gaining a minimum five years' experience should also only be eligible to complete four minimum credits.

Recommendation #4 – Maximum C/E credits permitted per day

**The maximum C/E credits that can be earned in a day will be increased to seven.**

The current requirement allows for a maximum of six credits per day. This limit has caused some complaints.

Recommendation #5 – Miscellaneous

**The maximum C/E credits that can be earned for any one course is eight hours, providing it is based on successful completion of the course (i.e., there is an exam).**

Where a course or program involves an examination, credits will only be granted when the exam is successfully passed. This is a change from current practice where it is possible to earn partial credits if a general licensee does not successfully pass the course.

**Because of the changes set out above, the General C/E Program will no longer permit the carryover of credits from one licence period to the next.**

Except for the changes set out above, all other aspects of the existing General C/E Programs remain unchanged. This includes requirements to maintain proof of attendance; the need for qualified instructors; and the requirement that a seminar/course must be a minimum of one hour in length.

**Request for Comment**

Council is proposing to introduce these changes effective June 1, 2008, to coincide with the move to a continuous licensing process. Before implementing these changes, Council is seeking feedback on the proposed changes.

Council welcomes written feedback before **January 31, 2008**. Comments should be made to the attention of Gerald Matier, Executive Director, at:

Insurance Council of British Columbia  
Suite 300, 1040 West Georgia Street  
P.O. Box 7  
Vancouver, BC  
V6E 4H1

Telephone: 604-688-0321      Fax: 604-662-7767  
Toll Free within BC: 1-877-688-0321

November 29, 2007  
ICN #07-012