**A** **BILL**

TO AMEND SECTION 38‑43‑106, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO CONTINUING EDUCATION REQUIREMENTS FOR INSURANCE PRODUCERS, SO AS TO PROVIDE THAT THE DIRECTOR OF THE DEPARTMENT OF INSURANCE ONLY MAY APPROVE ETHICS COURSES ADMINISTERED BY THE NATIONAL ASSOCIATION OF INSURANCE AND FINANCIAL ADVISORS, AND TO PROVIDE THE DEPARTMENT MAY NOT PROMULGATE REGULATIONS TO THE CONTRARY.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 38‑43‑106(B)(1) and (2) of the 1976 Code is amended to read:

“(1) The director or his designee shall administer these continuing education requirements and shall approve courses of instruction which qualify for these purposes. The director or his designee only may approve a course intended to satisfy the three hour ethics requirement if the course is administered by the National Association of Insurance and Financial Advisors. However, the director may enter into reciprocal agreements with the insurance commissioners of other states regarding the approval of continuing education courses, sponsors, instructors, or proctors if, in his judgment, the arrangements or agreements are in the best interest of the State and if the proposed courses, sponsors, instructors, or proctors submitted meet the minimum statutory requirements of this State for approval. However, the director or his designee may not enter into or continue a reciprocal agreement unless the other state has requirements similar to this State in approving courses, sponsors, instructors, or proctors. In administering this program, the department, in its discretion, may promulgate regulations producers provide to a continuing education administrator established within the department proof of compliance with continuing education requirements as a condition of license renewal or, in the alternative, contract with an outside service provider to provide recordkeeping services as the continuing education administrator. The costs of the continuing education administrator must be paid from the continuing insurance education fees paid by producers in the manner provided by this section, except that course approval responsibilities may not be designated to the continuing education administrator. The continuing education administrator shall compile and maintain, in conjunction with insurers and producers, records reflecting the continuing insurance education status of all licensed or qualified producers subject to the requirements of this section. The continuing education administrator shall furnish to the insurer, as specified by regulation, a report of the continuing insurance education status of all of its producers. All licensed producers shall provide evidence of their continuing insurance education status to the continuing education administrator by the last day of the individual’s month of birth. An individual born in an odd‑numbered year shall comply every odd‑numbered year. An individual born in an even‑numbered year shall comply every even‑numbered year.

(2) The department may promulgate regulations prescribing the overall parameters of continuing education requirements, and these regulations expressly must authorize the director or his designee to recognize product‑specific training offered by insurers. The department may not promulgate a regulation allowing for the satisfaction of the three hour ethics requirement by a course administered by an organization or individual other than the National Association of Insurance and Financial Advisors. The director shall appoint an advisory committee to make recommendations with respect to courses offered for approval, but the director or his designee shall retain authority with respect to course approvals. When the advisory committee is approved, it shall meet regularly as needed, but no less than semiannually, to review new course applications. Also, the advisory committee shall review modifications of courses previously approved and review previously promulgated regulations to make recommendations regarding any need for modifications, deletions, or new regulations. In making these appointments, the director may accept nominations for qualified individuals from the Professional Insurance Agents of South Carolina; the Independent Insurance Agents of South Carolina; the South Carolina Association of Automobile Insurance Agents; the South Carolina Association of Insurance and Financial Advisers; the Association of South Carolina Life Insurance Companies; the Direct Writers Insurance Companies; insurers that are not members of any national insurance trade association; and another individual, group, or trade or professional association.”

SECTION 2. This act takes effect upon approval by the Governor.

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