

COMMONWEALTH OF VIRGINIA

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STATE CORPORATION COMMISSION BUREAU OF INSURANCE

April 16, 2009

MEMORANDUM

TO: ALL INSURANCE AGENTS WHO, ACCORDING TO OUR RECORDS,
FAILED TO COMPLY WITH VIRGINIA'S INSURANCE CONTINUING
EDUCATION REQUIREMENTS

FROM: J. Preston Winn
Supervisor, Agent Licensing
Agent Regulation and Administration

Our records indicate that you failed to comply with the Virginia insurance continuing education (CE) requirements for the 2007-2008 biennium. These requirements were explained in the Virginia Insurance Continuing Education Agent Information Handbook (CE Handbook) that was mailed to you in May 2007 and 2008. Warning notices were mailed to you in July and November of 2008.

December 31, 2008 was the deadline for completing the CE courses. The deadline for submitting proof of compliance to Prometric, including the \$15 processing fee, was the close of business on March 2, 2009, or by close of business on March 31, 2009 with the payment of an additional \$250 late filing penalty. These deadlines are specifically set forth in Virginia law. Virginia law also makes it clear that neither Prometric, nor the Virginia Insurance Continuing Education Board (the Board), nor the Bureau, nor the State Corporation Commission is empowered to grant extensions or make exceptions. Those who were not CE compliant by the above dates will have their licenses terminated at the conclusion of the record correction and appeal periods provided under the law. Record corrections and appeals are summarized below and explained in the CE Handbook.

Section 38.2-1868.1 Subsection D of the Code of Virginia provides agents who have obtained the requisite continuing education course credits by December 31, 2008, but who have failed to submit proof of compliance, shall be provided a final opportunity to submit the proof of compliance, if such agents submit proof of compliance and pay the filing fees and the \$500 penalty within 30 calendar days of the date of this memorandum. The filing must be received by Prometric on or before May 15, 2009. **(No exceptions)**

The letter enclosed with this memorandum states your license(s)/qualification(s) referenced in the letter **will terminate** on or about September 1, 2009. By law, the only way to avoid license/qualification termination is to demonstrate that the official records of compliance maintained by Prometric on behalf of the Board are incorrect or you file proof of compliance and pay the filing fee and \$500 penalty. Your time to prove this is limited to a period of 30 days from the date of this memorandum. **(No exceptions)**

Please review the Continuing Education Compliance Schedule for the 2007-2008 Biennium at <http://scc.virginia.gov/division/boi/webpages/boiconted.htm>.

The period between the date of this letter and May 15, 2009, is known as the record correction period. During this period of time only, recipients of this letter who can submit documentation to Prometric to prove that the official records are incorrect may do so, and such documentation will be reviewed. If the proof is acceptable, the record will be corrected. **The only acceptable communications during this 30-day period are those sent to Prometric.**

If you filed with Prometric every required form, document, fee, cover letter, etc. so as to be received by Prometric by March 2, 2009 (or by March 31, 2009 with payment of the \$250 late filing fee), and if you have a receipt or a written communication from Prometric demonstrating your complete submission was received by one of those dates, this should be submitted only to Prometric, in writing, during the period between the date of this letter and May 15, 2009. Acceptable proof of filing includes, in addition to copies of the documents you claim to have submitted, the ability to produce a signed receipt for certified or registered mail, or a signed receipt from a private carrier such as Federal Express, Emery, UPS, or others showing a delivery date. **Note that proof must be received by Prometric on or before May 15, 2009 in order to be reviewed.**

- If you believe Prometric's records are incorrect, your communication to Prometric must include the following information:
 - Your name;
 - Your Agent Identification number (Virginia License Number or National Producer Number)
 - Your residence address
 - Your daytime telephone number and FAX number (if available)
 - A list of the Virginia licenses you hold
 - A description of the records you believe are incorrect
 - Documentation to support your contention that the records are incorrect

Note that you are to communicate with the Board through its contracted administrator, **Prometric**.

DO NOT SEND YOUR INFORMATION TO THE BUREAU AS IT WILL DELAY RECEIPT AND REVIEW BY PROMETRIC. IF ANY DELAY CAUSED BY YOUR FAILURE TO FOLLOW THESE INSTRUCTIONS RESULTS IN THE TERMINATION OF YOUR LICENSE(S)/QUALIFICATION(S), YOU WILL HAVE NO GROUNDS FOR APPEAL.

The Bureau does not have your CE records. You must demonstrate to Prometric that you are CE compliant by including a complete and proper submission **ON OR BEFORE MAY 15, 2009**. Telling Prometric you mailed something in "plenty of time" and they "should have" received it will not suffice. Communications must come from **you** (not your secretary, spouse, or your employer), and must include **your** signature, agent identification number (usually your Virginia License Number or National Producer Number) and your residence address.

If you do NOT have the kind of proof described above, it serves no purpose to contact Prometric, nor is there any reason for you to contact the Bureau. YOUR LICENSE(S)/QUALIFICATION(S) WILL TERMINATE ON OR ABOUT SEPTEMBER 1, 2009.

If you have proof that the Board's records are incorrect, or proof of compliance along with the \$15 filing fee and \$500 penalty, **submit the proof directly to:**

**Prometric
Attention: 2008 Virginia CE Compliance
1260 Energy Lane
St. Paul, MN 55108-5225**

There will be NO extensions. If you have the kind of proof described above, it must be received by Prometric no later than the close of business on May 15, 2009. Communicate by certified mail, registered mail, or an overnight delivery service.

At the end of the record correction period (May 15, 2009), the law provides for a period of time during which you may appeal decisions. You must follow the very specific three-tiered appeal process described in the 2007-2008 CE Handbook, which may be reviewed at www.prometric.com/CE/vaceprod.htm. **Only after you have exhausted all three levels of appeal are you permitted to appeal to the Bureau.**

Your appeal must be submitted in writing to Prometric (not to the Bureau), and must be received by Prometric no earlier than May 16, 2009 and no later than June 29, 2009. Follow the appeal process instructions in the Handbook.

If your appeal is granted, you will be notified in writing prior to the license/qualification termination date of September 1, 2009. If your appeal is denied by Prometric, the Board's Grievance Committee, the CE Board, and (if applicable) the Bureau, your license(s)/qualification(s) will terminate on or about September 1, 2009.

Here is what will happen if your license(s)/qualification(s) terminate:

1. From the moment your license/qualification terminates, you will be prohibited from selling, soliciting, or negotiating Virginia insurance contracts under the terminated license/qualification type.
2. Simultaneously with your license/qualification termination all company appointments made under that license/qualification will terminate. Each insurer with which you held an active appointment under that license/qualification will be notified that the appointment has been terminated. The insurer will be instructed to accept no business generated by you after August 31, 2009.

Contrary to what many agents were apparently told by some insurers, loss of your license/qualification does not mean that you are no longer entitled to commissions earned while you were licensed. While your contract with a particular insurer may contain a provision stating that commissions are forfeited if your license/qualification or your appointment to represent that insurer is terminated, any insurer that tells you that Virginia law requires such a provision is misinforming you. [See § 38.2-1812.D of the Code of Virginia]

3. If you continue to sell, solicit, or negotiate insurance after being sent notice of license/qualification termination, the Bureau may initiate formal disciplinary proceedings against you and any insurer that does business with you for violation of any number of statutes that can be found in Title 38.2, Chapter 18 of the Code of Virginia. Penalties for such violations can range up to \$5,000 for each violation, as well as revocation or suspension of your license(s)/qualification(s) or refusal to issue a new license/qualification at the end of the 90-day period.
4. Before you can apply to get your license(s)/qualification(s) back, you have some obligations:
 - First, there is a statutory penalty, giving you a choice of waiting 90 days before applying for a new license/qualification, or paying a \$1,000 administrative penalty and avoiding the 90-day wait. Regardless of which option you choose, **resident agents** must pass the appropriate pre-licensing examination before applying. Title agents must also complete a pre-licensing study

course prior to registering to take the exam. **Nonresident agents** are subject to the same penalty period or administrative penalty, but will **not** be required to pass the Virginia examination.

- If you choose to pay the \$1,000 penalty, you may re-apply electronically for the license/qualification after September 1, 2009. The \$1,000 check (no personal checks unless certified) must be mailed to the Bureau and must include your name and Virginia License Number. Applications received prior to that date will not be processed. Virginia **resident** applicants must pass the appropriate pre-licensing examination and must submit a current (no more than 90 days old) Criminal History Record Report from the Virginia State Police Department.
- If you choose to avoid the \$1,000 penalty, you must wait until after November 29, 2009 before applying electronically for a new license/qualification. Virginia **resident** applicants must pass the appropriate pre-licensing examination and must submit a current (no more than 90 days old) Criminal History Record Report from the Virginia State Police Department. Applications received prior to November 30, 2009 will not be processed.
- Resident agents are to apply online at www.sircon.com/virginia.
- Non-resident agents are to apply online at www.sircon.com/virginia or at <https://www.nipr.com/html/nrlWelcome.html>.
- Submitting your application electronically with all required documentation and fees will expedite the licensing process.

Please read the Insurance Licensing Candidate Handbook before enrolling in a study course, taking the examination, or applying for a new license/qualification.
<http://www.scc.virginia.gov/division/boi/webpages/boitesting.htm>

The **Virginia Insurance Continuing Education Agent Information Handbook** is available through Prometric's web site at www.prometric.com/CE/vaceprod.htm.