

**DEPARTMENT OF INSURANCE**

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**NOTICE**

**TO: Online Prelicensing Education Providers**

**DATE: March 19, 2010**

**SUBJECT: NEW ONLINE PRELICENSING COURSE REQUIREMENTS**

**Background**

Assembly Bill 2387 (Chapter 590, Statutes of 2006) was signed into law and took effect on January 1, 2007. This law amended Section 1749 of the California Insurance Code (CIC) by removing the word "classroom" from the prelicensing education requirement. It also added sub-section 1749 (j) to ensure that safeguards for monitoring online student education are in place to maintain the integrity of prelicensing education.

To comply with the January 1, 2007 effective date, during October 2006, the California Department of Insurance's (CDI) Producer Licensing Bureau began reviewing and approving online prelicensing courses. At that time, these courses were approved on a "provisional" basis. The provisional approval is to be in effect until regulations needed to provide specific requirements for online prelicensing courses were approved by the California Office of Administrative Law (OAL). Once OAL approved the regulations, each online prelicensing course, which was previously provisionally approved, is to be re-evaluated as to whether it is compliant with the online prelicensing regulations.

**New Requirements for Prelicensing Education Providers**

OAL recently approved amendments to Sections 2186 through 2188.9 of the California Code of Regulations (CCR). These sections are commonly referred to as the Prelicensing and Continuing Education regulations. The amendments will take effect on March 25, 2010. The amended regulations affect, among other sections, the Online Prelicensing Course Approval (CCR Section 2188.2.5) and Successful Completion of Online Prelicensing Courses (CCR Section 2188.5.5).

Following this notice is a check-list that shows all of the requirements needed to be met for approval of an online prelicensing course. Prelicensing education providers who were previously approved for an online prelicensing course (i.e. provisional approval) must complete and submit the check list indicating whether their course complies with each stated requirement.

The Producer Licensing Bureau will be reviewing and verifying the responses to the checklist so it will be necessary for education providers to provide CDI with a student log-in ID and password for each online prelicensing course. The completed checklist, any supporting documents, including a student log-in id and password for the course must be emailed to [cdieducation@insurance.ca.gov](mailto:cdieducation@insurance.ca.gov) no later than April 19, 2010.

If it is determined after the checklist is reviewed and verified, that the online prelicensing course does not meet all of the stated requirements, the education provider will be contacted and given a specified period of time to correct the deficiencies. Failure to complete and submit the checklist by April 19, 2010 may result in the cancellation of the approval of an online prelicensing course.

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To review the amended Prelicensing and Continuing Education Regulations, please go to CDI's Web site at [www.insurance.ca.gov](http://www.insurance.ca.gov), select Agents and Broker, Applying to Become an Approved Education Provider. On that Web page, scroll down to California Code of Regulations, select Prelicensing and Continuing Education Regulations.

If you have any questions or concerns with this Notice, please contact the Education Section at (916) 492-3064.

Attachment

**California Department of Insurance  
 Producer Licensing Bureau – Education Section  
 Online Prelicensing Course Checklist  
 March 2010**

**Provider Name:** \_\_\_\_\_ **Provider #:** \_\_\_\_\_  
**User ID:** \_\_\_\_\_ **Password:** \_\_\_\_\_

**Instructions:** For each required item, indicate with an “X” in the appropriate box your yes or no response. For each no response, please provide an explanation in the Comments column as to when and how you will be able to comply with that requirement. All of the following items must be in place for each online prelicensing course for it to continue to be an approved course.

Yes	No	Required Item	CCR Section	Comments
		Includes clear instructions to the student on how to access and participate in the course.	2188.2.5 (a)(1)	
		Includes a methodology to ensure that the student taking the course cannot complete the course in less time than the period for which the course certification is granted by the department.	2188.2.5 (a)(2)	
	<input type="checkbox"/>	<b>An electronic component that:</b>		
		<ul style="list-style-type: none"> <li>Monitors, tracks and provides rosters on the student's time spent completing each section/chapter of the course.</li> </ul>	2188.2.5 (a)(3)	
		<ul style="list-style-type: none"> <li>Authenticates the student's identity on a periodic basis, including upon entering and during the course (i.e. employs miscellaneous types of questions that only the student would know and requires the student to answer correctly).</li> </ul>	2188.2.5 (a)(3)	
		<ul style="list-style-type: none"> <li>Prevents the student from skipping the course content materials before answering the review questions.</li> </ul>	2188.2.5 (a)(3)(C)	
		<ul style="list-style-type: none"> <li>Logs the student out of the course after a period of inactivity of <b>twenty minutes</b>, requiring the student to log back in and re-enter the course.</li> </ul>	2188.2.5 (a)(3)(D)	
		<ul style="list-style-type: none"> <li>Includes encryption of all non-public personal student information so that the information cannot be read as it passes across the internet.</li> </ul>	2188.2.5 (a)(4)	
	<input type="checkbox"/>	<b>A participatory component that:</b>		
		<ul style="list-style-type: none"> <li>Requires students to answer the review questions after each section/chapter.</li> </ul> <b>OR</b>	2188.2.5 (a)(5)	
		<ul style="list-style-type: none"> <li>Requires a minimum of four interactive multiple choice inquiry periods during each hour of the course. Inquiry periods shall occur at regular intervals and shall cover material presented in that section/chapter of the course.</li> </ul>	2188.2.5 (a)(5)	
		<ul style="list-style-type: none"> <li>Identifies all incorrect responses and informs the student of the correct response with an explanation of the correct answer. Examples include but are not limited to: a response to the student with a correct answer and explanation or a reference back to the student with the section/chapter/screen that pertains to the question.</li> </ul>	2188.2.5 (a)(5)	

	<ul style="list-style-type: none"> <li>Requires students to answer one hundred percent (100%) of the review questions before allowing the student to proceed to the next section/chapter or to complete the course.</li> </ul>	2188.2.5 (a)(5)(C)	
	<ul style="list-style-type: none"> <li>Provides the student with the ability to review any unit/section/chapter of the course any time.</li> </ul>	2188.2.5 (a)(5)(D)	
	<ul style="list-style-type: none"> <li>Provides the student with the ability to contact an online prelicensing course instructor/subject matter expert regarding course material. Online prelicensing course instructors/subject matter experts shall be available by telephone or email within one business day, excluding state holidays, to respond to students' questions. Questions asked during weekends shall be answered by close of business on the following Monday. Technical questions regarding course requirements and materials may be responded to by staff of the CDI approved provider.</li> </ul>	2188.2.5 (a)(5)	
	Includes minimum number of review questions per course, per section/chapter – refer to the regulations for each license type to identify the minimum number of review questions required for that license type.	2188.2.5 (b)	
	Collects student's resident addresses, telephone numbers, and complete social security numbers.	2188.4 (b)	
	Maintains online prelicensing student affidavits (e.g. electronic records of online prelicensing student affidavits may be accepted). All records are maintained in a manner that protects the identity and non-public personal information of the student.	2188.4 (b)	
	Includes student signature on a completed affidavit (paper or electronic) that declares that the identified student has completed the entire course including 20 or 40 hours of product training, whichever is applicable, and 12 hours of code and ethics training.	2188.5.5 (a)(4)	
	Online prelicensing course attendance shall be verified by the provider who shall complete and maintain attendance records that contain at a minimum the following: (1) date and time student logs into and exits the online prelicensing course; and (2) completed affidavit signed by student as defined by 2188.5.5 (a)(4).	2188.5.5 (b)	