

I Mina'trentai Sais Na Liheslaturan Guåhan  
BILL STATUS

BILL NO.	SPONSOR	TITLE	DATE INTRODUCED	DATE REFERRED	CMTE REFERRED	PUBLIC HEARING DATE	DATE COMMITTEE REPORT FILED	FISCAL NOTES	NOTES
224-36 (COR)	Sabina Flores Perez Telo T. Taitague Joanne Brown	AN ACT TO REPEAL CHAPTER 19, DIVISION 3 OF TITLE 30, GUAM ADMINISTRATIVE RULES AND REGULATIONS AND TO ADD A NEW CHAPTER 2 TO TITLE 12, GUAM ADMINISTRATIVE RULES AND REGULATIONS, RELATIVE TO CLARIFYING INSURANCE CONTINUING EDUCATION.	11/23/21 1:36 p.m.						

***I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN***  
**2021 (FIRST) Regular Session**

**Bill No. 224-36 (COR)**

Introduced by:

Sabina Flores Perez *SFP*  
Telo T. Taitague *Telo*  
Joanne Brown

**AN ACT TO *REPEAL* CHAPTER 19, DIVISION 3 OF  
TITLE 30, GUAM ADMINISTRATIVE RULES AND  
REGULATIONS AND TO *ADD* A NEW CHAPTER 2 TO  
TITLE 12, GUAM ADMINISTRATIVE RULES AND  
REGULATIONS, RELATIVE TO CLARIFYING  
INSURANCE CONTINUING EDUCATION.**

**BE IT ENACTED BY THE PEOPLE OF GUAM:**

**Section 1.** Chapter 19, Division 3 of Title 30, Guam Administrative Rules  
and Regulations is hereby repealed:

**~~“CHAPTER 19~~**

**~~INSURANCE CONTINUING EDUCATION~~**

~~§ 19101 . Authority; Legislative Findings and Intent. Purpose.~~

~~§ 19102 . Purpose.~~

~~§ 19103 . Definitions.~~

~~§ 19104 . Applicability.~~

~~§ 19105 . Educational Requirements.~~

~~§ 19106 . Courses; Approval; Records.~~

~~§ 19107 . Repeated Courses.~~

~~§ 19108 . Extension of Time.~~

1       ~~§ 19109. — Compliance.~~

2       ~~§ 19110. — Penalty, Legal Authority, §§ 15703 and 15705 of the Insurance~~  
3               ~~Laws.~~

4       ~~§ 19111. — Severability.~~

5       ~~§ 19112. — Effective Date.~~

6       **~~§ 19101. — Authority; Legislative Findings and Intent.~~**

7       ~~*I Liheslaturan Guåhan* wishes to establish government policy that would help~~  
8 ~~improve the delivery of insurance protection and services to consumers in this~~  
9 ~~particular industry in Guam. One approach toward this objective deals with~~  
10 ~~encouraging and promoting the highest level of qualification and competency in the~~  
11 ~~ranks of agents, brokers and the like who have been granted certification to sell~~  
12 ~~insurance on Guam. As such, *I Liheslaturan Guåhan* finds it necessary and in the~~  
13 ~~best interest of insurance consumers to examine the standard industry knowledge~~  
14 ~~and educational qualification of each insurance agent, broker or similar licensee, to~~  
15 ~~sell or transact insurance on Guam as a prerequisite to the renewal of the license or~~  
16 ~~licenses held by such individual(s). *I Liheslaturan Guåhan* thus elects to authorize~~  
17 ~~the Insurance Commissioner of Guam to promulgate the rules and regulations~~  
18 ~~contained herein as a means of establishing minimum education criterion or~~  
19 ~~regulations that each licensee must meet before receiving certification to transact or~~  
20 ~~sell insurance on Guam. Such regulations are promulgated pursuant to the authority~~  
21 ~~granted to the Insurance Commissioner of Guam in §§ 12212 and 15703 of Title 22~~  
22 ~~of the Guam Code Annotated.~~

23       **~~§ 19102. — Purpose.~~**

24       ~~The purpose of these Regulations is to establish requirements and standards~~  
25 ~~for the continuing education program for persons licensed to transact or sell~~  
26 ~~insurance.~~

27       **~~§ 19103. — Definitions.~~**

1 The following terms:

2 (a) ~~“Agent”;~~

3 (b) ~~“Broker”;~~

4 (c) ~~“Commissioner”;~~

5 (d) ~~“General Agent”;~~

6 (e) ~~“Solicitor”;~~

7 (f) ~~“Sub-Agent”;~~

8 (g) ~~“Persons”;~~ and

9 (h) ~~“Transact,”~~

10 as they are defined in §§ 12104 and 12201 of Articles 1 and 2, Division  
11 2, of Title 22 of the ~~Guam Code Annotated~~, known as the Insurance  
12 Law, are hereby made a part of these regulations.

13 **§ 19104. — Applicability.**

14 (a) ~~These regulations shall apply to resident persons licensed after~~  
15 ~~the date of the passage of this Regulation to engage in the sale of the following~~  
16 ~~classes of insurance:~~

17 (1) ~~life insurance, annuity contracts, variable annuity~~  
18 ~~contracts and variable life insurance;~~

19 (2) ~~sickness, accident and health insurance;~~

20 (3) ~~all lines of property and casualty insurance; and~~

21 (4) ~~all lines of insurance for which an examination is required.~~

22 (b) ~~Those licensed prior to enactment of this Act and who will be~~  
23 ~~renewing their license after enactment of this Act shall be exempt from the~~  
24 ~~provisions of this Act.~~

25 **§ 19105. — Educational Requirements.**

26 Resident persons licensed to sell or transact insurance shall  
27 satisfactorily complete such courses or programs as follows:



1                   ~~(a) any person issued a license for:~~

2                                 ~~(1) life and/or death insurance;~~

3                                 ~~(2) Property and/or casualty insurance, or~~

4                                 ~~(3) any combination thereof issued after the date of~~  
5                   ~~enactment of this Regulation shall complete fifteen (15)~~  
6                   ~~classroom hours per year during the first three (3) years of~~  
7                   ~~continuous licensing.~~

8                   ~~(b) — Persons licensed pursuant to § 19104(a) after July 1st in~~  
9                   ~~any year, will need to meet the continuing education requirement on a~~  
10                  ~~pro rata basis for their first year of licensing. Any remainder of the~~  
11                  ~~fifteen (15) classroom hours not completed during the year may be~~  
12                  ~~carried forward until the beginning of the fourth (4th) year of licensing.~~

13                  ~~(c) — Any person licensed to sell or transact insurance described~~  
14                  ~~in this Section prior to the enactment of this Regulation shall be exempt~~  
15                  ~~from the provisions of this Regulation.~~

16       **§ 19106. — Courses; Approval; Records.**

17       ~~The courses or programs of instruction successfully completed are:~~

18                  ~~(a) — Any course or program of instruction or seminar~~  
19                  ~~developed and/or sponsored by any admitted and licensed insurer,~~  
20                  ~~insurance trade or agents' associations or any independent program of~~  
21                  ~~instruction, shall qualify for the equivalency of the number of~~  
22                  ~~classroom hours assigned thereto by the Commissioner, the Insurance~~  
23                  ~~Association of Life Underwriters. All courses shall be submitted in~~  
24                  ~~writing to the Commissioner, upon completion. All courses submitted~~  
25                  ~~shall be of an insurance nature.~~

26                  ~~(b) — Correspondence courses shall qualify for the equivalency~~  
27                  ~~of the number of classroom hours assigned thereto by the~~

1           ~~Commissioner or recognized education association, under this~~  
2           ~~Regulation.~~

3           ~~(c) — A person with an insurance related designation teaching a~~  
4           ~~course of instruction and lecturing at any seminar or program, shall~~  
5           ~~qualify for the same number of classrooms hours as would be granted~~  
6           ~~to a person taking and successfully completing such course, seminar or~~  
7           ~~program.~~

8           ~~(d) — At the end of each course, the course or program provider~~  
9           ~~shall present the insurance agent with a certificate of course completion~~  
10           ~~and shall provide the Commissioner with a list of all insurance agents~~  
11           ~~who have successfully completed the course. The providers shall~~  
12           ~~maintain course records for at least three (3) years. The Commissioner~~  
13           ~~may order an examination of a provider's records for good cause~~  
14           ~~shown.~~

15       **~~§ 19107. — Repeated Courses.~~**

16           ~~A course shall not be repeated if the maximum credits have been~~  
17           ~~attained or received for the same course.~~

18       **~~§ 19108. — Extension of Time.~~**

19           ~~For good cause shown, the Commissioner may grant an extension of~~  
20           ~~time during which the requirements imposed by these regulations may be~~  
21           ~~compiled for each type of life/health insurance license. The extension will not~~  
22           ~~alter the requirements or due date of the succeeding educational requirement~~  
23           ~~period. 'Good Cause' includes disability, natural disasters or other~~  
24           ~~extenuating circumstances. Each request for extension of time shall be in~~  
25           ~~writing from the Licensee and shall include details and any documentation to~~  
26           ~~support the request. The Commissioner must receive each request no less than~~  
27           ~~thirty (30) days before the expiration of the licensing period.~~



1        **~~§ 19109. — Compliance.~~**

2            ~~(a) — Any person previously licensed to sell insurance whose license~~  
3        ~~was not in effect on the effective date of this Regulation shall comply with all~~  
4        ~~the terms and requirements of § 19105 of this Regulations, in order to be~~  
5        ~~licensed.~~

6            ~~(b) — Credits earned in one (1) license year in excess of the minimum~~  
7        ~~requirements may be carried forward to apply to the license year immediately~~  
8        ~~following.~~

9        **~~§ 19110. Penalty, Legal Authority, §§ 15703 and 15705 of the Insurance~~**  
10    **~~Laws.~~**

11            ~~Any person failing to meet the requirements imposed upon him by these~~  
12        ~~Regulations and who has not been granted an extension of time within which~~  
13        ~~to comply pursuant to § 19105, or who has submitted to the Commissioner a~~  
14        ~~false or fraudulent certificate of compliance therewith, shall, after hearing in~~  
15        ~~accordance with the Administrative Adjudication Law, which may be waived~~  
16        ~~by such person, be subjected to the suspension of or revocation of all licenses~~  
17        ~~issued for any class or classes of insurance until such time that that person has~~  
18        ~~demonstrated, to the satisfaction of the Commissioner, that the person has~~  
19        ~~complied with all requirements of the Insurance Laws of Guam and these~~  
20        ~~Regulations, and all other laws applicable thereto. All other remedies~~  
21        ~~available to the Commissioner for false or fraudulent certificates or any~~  
22        ~~misrepresentations in accordance with the Insurance Law available to the~~  
23        ~~government of Guam in any law, shall be at the discretion of the~~  
24        ~~Commissioner.~~

25        **~~§ 19111. — Severability.~~**

26            ~~If any provision of these Regulations or its application to any person or~~  
27        ~~circumstance is found to be invalid or contrary to law, such invalidity shall~~

1 not affect other provisions or applications of these Regulations which can be  
2 given effect without the invalid provisions or application, and to this end the  
3 provisions of these Regulations are severable.

4 **§ 19112. Effective Date.**

5 This Regulation shall take effect upon enactment and shall remain in  
6 effect, unless otherwise amended or until rescinded by law.”

7 **Section 2.** A new Chapter 2 is added to Title 12, Guam Administrative  
8 Rules and Regulations to read:

9 **“CHAPTER 2**

10 **INSURANCE CONTINUING EDUCATION**

11 § 2101. Authority; Legislative Findings and Intent.

12 § 2102. Purpose.

13 § 2103. Definitions.

14 § 2104. Applicability.

15 § 2105. Educational Requirements.

16 § 2106. Qualifying Continuing Education Courses; Approval; Records.

17 § 2107. Repeated Courses.

18 § 2108. Extension of Time.

19 § 2109. Compliance.

20 § 2110. Penalty, Legal Authority, § 15703 and 15705 of the Insurance  
21 Laws.

22 § 2111. Continuing Education Exemption.

23 § 2112. Pre-Licensing Course and Written Examination.

24 **§ 2101. Authority; Legislative Findings and Intent. I Liheslaturan**

25 Guåhan intends to establish government policy that would improve the delivery of  
26 insurance protection and services to consumers on Guam. One approach toward this  
27 objective deals with encouraging and promoting the highest level of qualification



1 and competency in the ranks of agents, brokers, insurance producers, and the like  
2 who are licensed to transact or sell insurance on Guam. As such, *I Liheslatura* finds  
3 it necessary and in the best interest of insurance consumers to examine the standard  
4 industry knowledge and educational qualification of each insurance agent, broker,  
5 insurance producer, or similar licensee in order to sell or transact insurance on Guam,  
6 as a prerequisite to the renewal of the license or licenses held by such individual(s).  
7 *I Liheslatura* thus elects to authorize the Insurance Commissioner of Guam to  
8 promulgate the rules and regulations contained herein as a means of establishing  
9 minimum education criterion for each licensee in order to transact or sell insurance  
10 on Guam. Such regulations are promulgated pursuant to the authority granted to the  
11 Insurance Commissioner of Guam in §§ 12212 and 15703 of Title 22 of the Guam  
12 Code Annotated.

13 **§ 2102. Purpose.** The purpose of these Regulations is to establish  
14 requirements and standards for the continuing education program for persons  
15 licensed to transact or sell insurance.

16 **§ 2103. Definitions.**

17 The following terms:

18 (a) “Agent” means general agent and insurance producer,  
19 unless otherwise apparent from the context.

20 (b) “Broker” means a person who, for compensation and on  
21 behalf of another person, transacts insurance business other than as  
22 insurer, general agent, sub-agent, solicitor or insurance producer.

23 (c) “Commissioner” means the Banking and Insurance  
24 Commissioner.

25 (d) “Department” means the Guam Department of Revenue  
26 and Taxation.

1           (e) “Insurance Producer” means a person required to be  
2 licensed under the laws of Guam to sell, solicit or negotiate insurance

3           (f) “Persons” means an individual, limited liability  
4 partnership, partnership, limited liability company, corporation,  
5 incorporated or unincorporated association, joint stock company,  
6 reciprocal, syndicate, or any similar entity or combination of entities  
7 acting in concert.

8           (g) “Transact,” means, when applied to insurance,  
9 solicitation, negotiations preliminary to execution, execution or  
10 transaction subsequent to execution, or a contract of insurance or  
11 matters appertaining thereto.

12 **§ 2104.     Applicability.**

13       These regulations shall apply to resident persons licensed pursuant to  
14 Title 22, Chapter 15, Article 7 of the Guam Code Annotated to engage in the  
15 sale of the following classes of insurance:

16           (a) Life insurance, annuity contracts, variable annuity  
17 contracts and variable life insurance;

18           (b) Sickness, accident and health insurance;

19           (c) All lines of property and casualty insurance; and

20           (d) All lines of insurance for which an examination is  
21 required.

22 **§ 2105.     Educational Requirements.**

23       (a) Resident persons licensed to sell or transact insurance shall mean  
24 any person licensed for:

25           (1) Sickness, accident and health, life, annuity contracts,  
26 and/or variable life & annuity,

27           (2) Property and/or casualty insurance, or

1                   (3) Any combination thereof.

2                   (b) Resident persons licensed to sell or transact insurance shall  
3 annually complete fourteen (14) credit hours of continuing education, which  
4 includes the following:

5                   (1) Two (2) credit hours in ethics courses;

6                   (2) Minimum of six (6) credit hours per class of insurance (i.e.  
7 Life, Health, Property and Casualty); and

8                   (3) Six (6) credit hours of either insurance specific courses or  
9 general insurance courses.

10                  (c) Individuals with multiple licenses are required to annually  
11 complete a minimum of fourteen (14) credit hours of continuing education as  
12 follows:

13                  (1) Two (2) credit hours of ethics courses;

14                  (2) Minimum of six (6) credit hours for each class of  
15 insurance (i.e. an individual holding both life and property and casualty  
16 must have six (6) credit hours for Life and six (6) credit hours for  
17 Property & Casualty to renew both insurance licenses).

18                  (d) Resident persons licensed to adjust losses on any or all of the  
19 following classes of insurance, such as fidelity and surety, fire, marine, motor  
20 vehicle, property damage and liability, workmen's compensation, and  
21 miscellaneous lines claims, shall complete a total of fourteen (14) credit hours  
22 every two (2) years as follows:

23                  (1) Two (2) credit hours in ethics courses;

24                  (2) Minimum of six (6) credit hours for per class of insurance  
25 (i.e. Life, Health, or Property & Casualty); and

26                  (3) Six (6) credit hours of either insurance specific courses or  
27 general insurance courses.



1           (e) Persons with continuing education hours earned within two (2)  
2           years prior to renewal have valid continuing education (CE). Any  
3           remainder of continuing education hours completed exceeding the  
4           required numbers of hours for license renewals may be carried forward  
5           and applied to earned credit hours for future license renewals for  
6           maximum of four (4) years.

7           **§ 2106. Qualifying Continuing Education Courses; Approval;**  
8           **Records.**

9           (a) Any course, program of instruction, or seminar developed and/or  
10          sponsored by any admitted and licensed insurer, insurance trade or agents'  
11          associations or any independent program of instruction, shall require prior  
12          approval by the Commissioner in order to qualify for continuing education  
13          credit, and the equivalency of the number of classroom hours shall be assigned  
14          thereto by the Commissioner.

15          (b) Correspondence courses shall qualify for the equivalency of the  
16          number of classroom hours assigned thereto by the Commissioner or  
17          recognized education association, under this Regulation. The Commissioner  
18          shall accept both classroom study, verifiable self-study or combination of  
19          both. On-line learning may be a combination of verifiable self-study and  
20          classroom study. Classroom study may include distance learning, webinars,  
21          virtual classes and traditional classroom. The Commissioner has the discretion  
22          to limit, but may not prohibit, verifiable self-study.

23          (c) A person with an insurance related designation, teaching a course  
24          of instruction, and lecturing at any seminar or program, shall qualify for the  
25          same number of as classroom hours as would be granted to a person taking  
26          and successfully completing such course, seminar or program.

1           (d) A licensee that takes approved courses, seminars, lectures and  
2 webinars shall provide proof of attendance and successful completion of such  
3 course, seminar, lecture, or webinar. Upon completion of an approved  
4 continuing education course, the approved course provider shall issue a signed  
5 certificate of completion that certifies that the insurance producer has  
6 successfully completed the course. The approved course provider shall  
7 electronically submit to the Commissioner a list of all insurance producers  
8 who have successfully completed the course. The providers shall maintain  
9 course records for at least three (3) years. The Commissioner may order an  
10 examination of a provider's records for good cause shown.

11 **§ 2107. Repeated Courses.**

12           A course shall not be repeated if the maximum credits have been  
13 attained or received for the same course within a five (5) year period.

14 **§ 2108. Extension of Time.**

15           For good cause shown, the Commissioner may grant an extension of  
16 time during which the requirements imposed by these regulations may be  
17 compiled for each type of license identified in §2105. The extension will not  
18 alter the requirements or due date of the succeeding educational requirement  
19 period. 'Good Cause' includes disability, natural disasters or other  
20 extenuating circumstances. Each request for extension of time shall be in  
21 writing from the Licensee and shall include details and any documentation to  
22 support the request. The Commissioner must receive each request no less than  
23 thirty (30) days before the expiration of the licensing period.

24 **§ 2109. Compliance.**

25           Any person licensed to sell insurance prior to the effective date of this  
26 Regulation shall comply with all the terms and requirements of § 2105 of this  
27 Regulation, in order to be licensed.



1        **§ 2110.      Penalty, Legal Authority, §§ 15703 and 15705 of the**  
2        **Insurance Laws.**

3            Any person failing to meet the requirements imposed by these  
4        Regulations and who has not been granted an extension of time within which  
5        to comply pursuant to § 2105 or who has submitted to the Commissioner a  
6        false or fraudulent certificate of compliance therewith, shall, be subjected to  
7        ninety (90) day suspension of or revocation of all licenses issued for any class  
8        or classes of insurance until such time that that person has demonstrated, to  
9        the satisfaction of the Commissioner, that the person has complied with all  
10       requirements of the Insurance Laws of Guam and these Regulations, and all  
11       other laws applicable thereto. All other remedies available to the  
12       Commissioner for false or fraudulent certificates or any misrepresentations in  
13       accordance with the Insurance Law available to the government of Guam in  
14       any law, shall be at the discretion of the Commissioner.

15       **§ 2111.      Continuing Education Exemption.**

16           Any insurance producer who is sixty-five (65) years of age, has been  
17        continuously licensed for twenty-five (25) years, and is in good standing is  
18        exempted from taking the continuing education courses. An affidavit that  
19        supports the claim must be presented to the Commissioner's Office for the  
20        exemption to be valid.

21       **§ 2112.      Pre-Licensing Course and Written Examination.**

22           All applicants must complete thirty (30) credit hours of pre-licensing  
23        insurance courses on either life, accident and health, property and casualty,  
24        claims adjuster, and other classes of insurance authorized by 22 GCA, Chapter  
25        18, Article 1. The pre-licensing course must be administered by a qualified  
26        instructor, and the applicant must pass the written insurance examination.



1       **Section 3. Effective Date.** This Regulation shall take effect upon  
2 enactment.

3       **Section 4. Severability.** If any provision of these Regulations or its application  
4 to any person or circumstance is found to be invalid or contrary to law, such  
5 invalidity shall not affect other provisions or applications of these Regulations which  
6 can be given effect without the invalid provisions or application, and to this end the  
7 provisions of these Regulations are severable.”