

*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
<b>224-36 (COR)</b> As amended by the Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning, and further amended on the Floor.	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.	12/1/21	Committee on Environment, Revenue and Taxation, Labor, Procurement, and Statistics, Research, and Planning	1/3/22 9:00 a.m.	3/17/22 3:55 p.m.	Request: 12/2/21  Waiver: 12/15/21	
	<b>SESSION DATE</b>	<b>TITLE</b>	<b>DATE PASSED</b>	<b>TRANSMITTED</b>	<b>DUE DATE</b>	<b>PUBLIC LAW NO.</b>	<b>DATE SIGNED</b>	<b>NOTES</b>	
	3/25/22	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.	4/1/22	4/1/22	4/13/22	36-92	4/11/22	Received: 4/12/2022 Mess and Comm. Doc. No. 36GL-22--1906	

LOURDES A. LEON GUERRERO  
GOVERNOR



JOSHUA F. TENORIO  
LT. GOVERNOR

UFISINAN I MAGA'HĀGAN GUĀHAN  
OFFICE OF THE GOVERNOR OF GUAM

April 11, 2022

Doc Type: 3691-22-1906  
OFFICE OF THE SPEAKER  
THERESE M. TERLAJE

HONORABLE THERESE M. TERLAJE, *Speaker*  
*I Mina'trentai Sais Na Liheslaturan Guāhan*  
36<sup>th</sup> Guam Legislature  
Guam Congress Building  
163 Chalan Santo Papa  
Hagåtña, Guam 96910

04-12-2022

Time: 11:31 a.m.  
Received: *[Signature]*

Re: **BILL NO. 224-36 (COR) – 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**

*Hafa Adai* Madame Speaker,

This administration supports improving continuing education programs for persons licensed to transact or sell insurance in Guam. To that end, Bill No. 224-36 seeks to repeal and reenact the Commissioner of Banking and Insurance administrative regulations to improve such requirements. I thank our agencies, and acknowledge their collaborative work to update the regulations to ensure licensed professionals satisfy current insurance industry standards and practices intended to protect consumers with insurance needs and services. However, I cannot sign this bill due to the concerns I note below.

Under the Organic Act of Guam, as amended, the executive branch is empowered to issue regulations that do not conflict with applicable law. Agencies must promulgate administrative regulations within the contours of applicable law, including the Guam Administrative Adjudication Law. On the other hand, the legislature's power to pass "bills" is separate and distinct from the executive power to issue "regulations." The Organic Act reserves the promulgation of administrative regulations to executive agencies, not the legislative branch, and Bill No. 224-36 appears to run afoul of these entrenched constitutional principles.

The intention of Bill No. 224-36 is well-meaning and consistent with the goals of the affected agency; however, effectuating these important changes should not come at the expense of maintaining the distinct powers conferred on our respective branches of government. And while our administration supports the intended amendment to the Guam Administrative Rules and Regulations (GARR), I would be remiss if I did not preserve my criticism of the mechanism utilized in the bill. To be clear, the Legislature has the power to write a bill containing the exact language of the administrative regulation it has attempted to adopt in this bill. However, it cannot

To: Speaker Terlaje  
Fr: Governor of Guam  
Date: April 11, 2022  
Re: Bill No. 224-36 (COR)

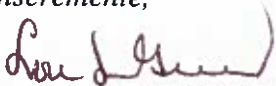
Page 2 of 2

do so under the guise of promulgating administrative rules. A duly-passed statute would in turn not be codified in the GARR, but rather in the Guam Code Annotated. Unlike an administrative rule or regulation, a legislative enactment could only be amended by statute, not by an agency through the AAA process like other administrative rules and regulations. Once the Legislature has, by law, delegated rule-making authority to an agency, it must abide by that delegation and not interfere with that authority until altered or revoked by law. This bill's attempt to perform an executive function, unfortunately, likely results in an ineffective measure that cannot be ratified by my signature, were I willing to provide it, which I am not.

As noted, the Commissioner of Banking and Insurance is statutorily authorized to adopt rules "pursuant to the Administrative Adjudication Law for the purpose of maintaining or improving such persons insurance skills or knowledge." 22 GCA § 15703. Accordingly, I direct the Commissioner of Banking and Insurance to begin the statutory rulemaking procedures to perfect the repeal and adoption of the new continuing education requirements and standards. This will ensure the rule will survive possible challenges to its validity and, ultimately, best achieve the agency's mission and policy to protect consumers.

Again, I thank the legislature and the agencies for their collaborative process in preparing an updated continuing education program for persons licensed to transact or sell insurance. However, for the reasons noted above, ***Bill No. 224-36 will lapse into law without my signature.***

*Senseremente,*



**LOURDES A. LEON GUERRERO**

*Maga'hāgan Guåhan*  
Governor of Guam

Enclosure: Bill No. 224-36 (COR) *nka P.L. 36-92 (Lapsed into law)*

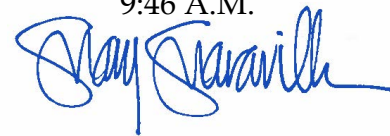
cc via email: *Honorable* Joshua F. Tenorio, *Sigundo Maga'låhen Guåhan*  
Compiler of Laws

COMMITTEE ON RULES

RECEIVED:

April 13, 2022

9:46 A.M.



***I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN***  
**2022 (SECOND) Regular Session**

**CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'HÅGAN GUÅHAN***

This is to certify that **Bill No. 224-36 (COR)**, “**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,**” was on the 1<sup>st</sup> day of April 2022, duly and regularly passed.



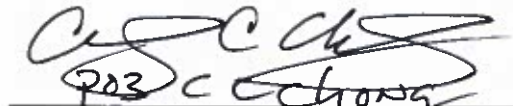
**Therese M. Terlaje**  
**Speaker**

Attested:



**Amanda L. Shelton**  
**Legislative Secretary**

This Act was received by *I Maga'hågan Guåhan* this 1 day of April,  
2022, at 9:39 o'clock P.M.



**Assistant Staff Officer**  
***Maga'håga's Office***

APPROVED:

\_\_\_\_\_  
**Lourdes A. Leon Guerrero**  
***I Maga'hågan Guåhan***

Date: 4/1/2022

Public Law No. 36-92

2022-1678

RCUD AT CENTRAL FILES  
APR 4 '22 AM 9:01

Elaine Tajalle

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

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

As amended by the Committee on Environment, Revenue and Taxation,  
Labor, Procurement, and Statistics, Research, and Planning;  
and further amended on the Floor.

Introduced by:

Sabina Flores Perez  
Telo T. Taitague  
Joanne Brown  
V. Anthony Ada  
Frank Blas Jr.  
Christopher M. Dueñas  
James C. Moylan  
Tina Rose Muña Barnes  
Telen Cruz Nelson  
Clynton E. Ridgell  
Joe S. San Agustin  
Amanda L. Shelton  
Jose "Pedo" Terlaje  
Therese M. Terlaje  
Mary Camacho Torres

**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.**

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

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

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

3                                   **“CHAPTER 2**

4                                   **INSURANCE CONTINUING EDUCATION**

5           § 2101.       Authority; Legislative Findings and Intent.

6           § 2102.       Purpose.

7           § 2103.       Definitions.

8           § 2104.       Applicability.

9           § 2105.       Educational Requirements.

10          § 2106.       Qualifying Continuing Education Courses; Approval; Records.

11          § 2107.       Repeated Courses.

12          § 2108.       Extension of Time.

13          § 2109.       Compliance.

14          § 2110.       Penalty, Legal Authority, §§ 15703 and 15705 of the Insurance  
15                                   Laws.

16          § 2111.       Continuing Education Exemption.

17          § 2112.       Pre-Licensing Course and Written Examination.

18          **§ 2101.       Authority; Legislative Findings and Intent.**

19          *I Liheslaturan Guåhan* intends to establish government policy that would  
20 improve the delivery of insurance protection and services to consumers on Guam.  
21 One approach toward this objective deals with encouraging and promoting the  
22 highest level of qualification and competency in the ranks of agents, brokers,  
23 insurance producers, and the like, who are licensed to transact or sell insurance on  
24 Guam. As such, *I Liheslatura* finds it necessary and in the best interest of insurance  
25 consumers to examine the standard industry knowledge and educational  
26 qualification of each insurance agent, broker, insurance producer, or similar licensee  
27 in order to sell or transact insurance on Guam, as a prerequisite to the renewal of the

1 license or licenses held by such individual(s). *I Liheslatura* thus elects to authorize  
2 the Insurance Commissioner of Guam to promulgate the rules and regulations  
3 contained herein as a means of establishing minimum education criterion for each  
4 licensee in order to transact or sell insurance on Guam. Such regulations are  
5 promulgated pursuant to the authority granted to the Insurance Commissioner of  
6 Guam in §§ 12212 and 15703 of Title 22, Guam Code Annotated.

7       **§ 2102. Purpose.**

8       The purpose of these regulations is to establish requirements and standards for  
9 the continuing education program for persons licensed to transact or sell insurance.

10       **§ 2103. Definitions.**

11       The following terms in this Chapter are defined as follows:

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

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

17           (c) “Commissioner” means the Banking and Insurance  
18 Commissioner.

19           (d) “Department” means the Guam Department of Revenue and  
20 Taxation.

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

23           (f) “Person” means an individual, limited liability partnership,  
24 partnership, limited liability company, corporation, incorporated or  
25 unincorporated association, joint stock company, reciprocal, syndicate, or any  
26 similar entity or combination of entities acting in concert.



1 (g) "Transact" means, when applied to insurance, solicitation,  
2 negotiations preliminary to execution, execution or transaction subsequent to  
3 execution, or a contract of insurance or matters appertaining thereto.

4 **§ 2104. Applicability.**

5 These regulations shall apply to resident persons licensed pursuant to Article  
6 7 of Chapter 15, Title 22, Guam Code Annotated, to engage in the sale of the  
7 following classes of insurance:

8 (a) life insurance, annuity contracts, variable annuity contracts, and  
9 variable life insurance;

10 (b) sickness, accident and health insurance;

11 (c) all lines of property and casualty insurance; and

12 (d) all lines of insurance for which an examination is required.

13 **§ 2105. Educational Requirements.**

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

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

18 (2) sickness, accident and health insurance;

19 (3) all lines of property and casualty insurance; and

20 (4) any combination thereof.

21 (b) Resident persons licensed to sell or transact insurance shall annually  
22 complete fourteen (14) credit hours of continuing education prior to renewal of the  
23 license, which includes the following:

24 (1) two (2) credit hours in ethics courses;

25 (2) minimum of six (6) credit hours per class of insurance (i.e., life,  
26 health, or property and casualty); and



1           (3) six (6) credit hours of either insurance specific courses or general  
2 insurance courses.

3           (c) Individuals with multiple licenses are required to annually complete a  
4 minimum of fourteen (14) credit hours of continuing education prior to renewal of  
5 the license as follows:

6           (1) two (2) credit hours of ethics courses;

7           (2) minimum of six (6) credit hours for each class of insurance (i.e.,  
8 an individual holding both life and property and casualty must have six (6)  
9 credit hours for life and six (6) credit hours for property and casualty to renew  
10 both insurance licenses).

11          (d) Individuals licensed for more than two (2) classes of insurance may  
12 result in the completion of more than the annual minimum fourteen (14) credit hours  
13 of required continuing education hours.

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

19           (1) two (2) credit hours in ethics courses;

20           (2) minimum of six (6) credit hours per class of insurance (i.e., life,  
21 health, or property and casualty); and

22           (3) six (6) credit hours of either insurance specific courses or general  
23 insurance courses.

24          (f) Persons with continuing education hours earned within two (2) years  
25 prior to renewal of the license have valid continuing education (CE). Any remainder  
26 of continuing education hours completed exceeding the required numbers of hours

1 for license renewals may be carried forward and applied to earned credit hours for  
2 future license renewals for a maximum of four (4) years.

3 **§ 2106. Qualifying Continuing Education Courses; Approval;**  
4 **Records.**

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

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

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

22 (d) A licensee that takes approved courses, seminars, lectures and webinars  
23 shall provide proof of attendance and successful completion of such course, seminar,  
24 lecture, or webinar. Upon completion of an approved continuing education course,  
25 the approved course provider shall issue a signed certificate of completion that  
26 certifies that the insurance producer has successfully completed the course. The  
27 approved course provider shall electronically submit to the Commissioner a list of

1 all insurance producers who have successfully completed the course. The providers  
2 shall maintain course records for at least three (3) years. The Commissioner may  
3 order an examination of a provider's records for good cause shown.

4 **§ 2107. Repeated Courses.**

5 A continuing education course may be repeated for credit in successive  
6 renewal terms, but they are not permitted to take a course for credit more than once  
7 in the same license continuation period.

8 **§ 2108. Extension of Time.**

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

18 **§ 2109. Compliance.**

19 Any person licensed to sell insurance prior to the effective date of these  
20 regulations shall comply with all the terms and requirements of § 2105 of this  
21 Chapter in order to be licensed.

22 **§ 2110. Penalty, Legal Authority, §§ 15703 and 15705 of the**  
23 **Insurance Laws.**

24 Any person failing to meet the requirements imposed by these regulations and  
25 who has not been granted an extension of time within which to comply pursuant to  
26 § 2108, or who has submitted to the Commissioner a false or fraudulent certificate  
27 of compliance therewith, shall be subject to a suspension of or revocation of all

1 licenses issued for any class or classes of insurance until such time that that person  
2 has demonstrated, to the satisfaction of the Commissioner, that the person has  
3 complied with all the requirements of the insurance laws of Guam and these  
4 regulations, and all other laws applicable thereto. All other remedies available to the  
5 Commissioner for false or fraudulent certificates or any misrepresentations in  
6 accordance with the insurance law available to the government of Guam in any law,  
7 shall be at the discretion of the Commissioner.

8 **§ 2111. Continuing Education Exemption.**

9 Any agent, broker, or insurance producer who is fifty-five (55) years of age  
10 and older, and who has been continuously licensed for twenty-five (25) years and is  
11 in good standing, is exempted from taking the continuing education courses. An  
12 affidavit that supports the claim must be presented to the Commissioner for the  
13 exemption to be valid.

14 **§ 2112. Pre-Licensing Course and Written Examination.**

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

20 **Section 3. Effective Date.** These regulations shall be effective August 1,  
21 2022.

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