

**IMPORTANT: Effective January 1, 2008**  
**NC Department of Insurance has announced major changes to the Prelicensing requirements.**

Students who have purchased or will be purchasing prelicensing materials will need to take the prelicensing course and pass the state exam by December 31, 2007 to obtain a combined Life & Health or Property & Liability license. If a pre-licensing course is not completed or the State Exam is scheduled after December 31, 2007 the new changes summarized below will begin:

PRELICENSING CHANGES BEGINNING JANUARY 01.2008

The New lines of Authority will be:

1. Life - Requires 20 hours of prelicensing
2. Accident and Health or Sickness - Requires 20 hours of prelicensing
3. Property - Requires 20 hours of prelicensing
4. Casualty - Requires 20 hours of prelicensing
5. Personal Lines - Requires 20 hours of prelicensing
6. Variable Life and Variable Annuities - No prelicensing or exam but must meet NASD requirements

Students must take the prelicensing course and pass the state exam for each license type.

There will be no change for Medicare Supplement/Long Term Care, Adjusters, Auto Physical Damage Appraiser, Surplus Lines, Crop/Hail Adjusters or Title. Students will need to have an Accident and Health or Sickness License to obtain the MS/LTC License.

If Disability coverage is part of a Life policy, only a Life license is needed. If Disability is sold as a stand alone policy, an Accident and Health or Sickness license is needed.

Existing licensees will be grandfathered under their current line of authority.

CONTINUING EDUCATION (CE) CHANGES BEGINNING JANUARY 01.2008

The NC Department of Insurance has announced major changes to the Continuing Education requirements effective January 1, 2008.

The CE requirement will change from 12 single or 18 dual CE hours per calendar year to 24 CE credit hours in a 2 year (biennial) period, regardless of the number of licenses you hold.

Dual licensed Agents will no longer have a minimum CE requirement per license. All 24 CE hours can be taken in one license type if desired (except mandatory courses as noted below).

The compliance period will be on a staggered system based on your birth month and birth year. The birth year (even or odd) determines if you must meet CE on an even or odd year. The staggered system begins January 1, 2008 and will be prorated based on 1 credit hour per month up to 24 months. Then agents begin the 24 hour CE requirement every 2 years.

Examples:

1. If the agent's birth month is January and the birth year is an even year, then the agent will need one CE credit hour by the end of January 2008. Then the agent would need 24 CE hours by the end of January 2010.
2. If the agent's birth month is April and birth year is an even year, the agent will need four CE credit hours by the end of April 2008, and 24 CE hours by the end of April 2010.
3. If the agent's birth month is January of an odd year, the agent will need 13 CE hours by the end of January 2009, and 24 CE hours by the end of January 2011.

The NC DOI has a CE Conversion chart at <http://www.ncdoi.com/>

There will no longer be a maximum number of carryover hours. Agents can carry over all CE credit hours over the 24 required. NCDOI will credit all 2007 carryover hours to 2008. Agents can use these carryover hours to meet the prorated requirements. Therefore, we strongly suggest that agents obtain carryover hours this year, especially if your birth month is January through April and birth year is an even year.

CE courses cannot be repeated in the same biennium compliance period but can be repeated from compliance period to compliance period.

NC Mandatory Course Requirements: L&H Agents must take a 3 hour Ethics course. P&L Agents and Adjusters must take a 3 hour Ethics and 3 hour Flood course. The Ethics course must be taken every two years; the Flood course must be taken every four years. Agents exempt from CE must still complete the mandatory courses. If the agent is dual licensed and exempt from one license type, the agent will also be exempt, except for the mandatory courses, from the other license type.

NC statute requires licensees to give written notice to the Commissioner of any residential address change within 10 business days after the licensee moves into their new residence. If the licensee does not notify NC DOI of an address change and the NC DOI contacts the licensee, there will be a \$50 administrative fee. If the licensee notifies the NC DOI of a residential address change, there is no charge. A Change of Address form can be found at the NC DOI website, <http://www.ncdoi.com/>

This information is available at the NC DOI website. The NC DOI may be reached at 919-807-6800 or visit their website: <http://www.ncdoi.com/>