

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672
6402 SENATE LABOR & COMMERCE

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

April 11, 1989

The Honorable Tim Kelly
President of the Senate
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Mr. President:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the licensing of insurance agents, brokers, solicitors, and adjusters. This bill will improve and up-date our licensing system.

The proposal is based on a National Association of Insurance Commissioners model Act. The proposal makes a number of changes in the present licensing statutes, the most important of which are the following:

(1) requires more frequent re-testing of applicants who were previously licensed, by requiring that persons who have dropped out of the industry for more than two years be retested;

(2) adds educational requirements for licensing, by requiring a high school degree or its equivalent;

(3) allows the director of insurance to establish more educational or experience requirements by regulation;

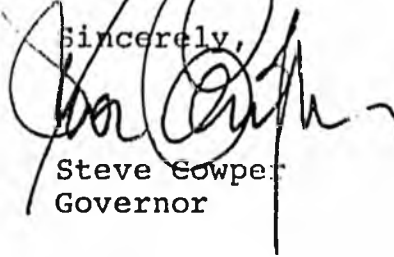
(4) increases bond requirements for brokers and their firms;

(5) limits the term of a trainee adjuster to one year; after that time, a person must obtain a regular adjuster license; and

(6) limits the use of a "temporary license" to cases involving the disability or death of an agent, general agent, or broker.

The bill contains other, more technical, changes up-dating our statutes. The division of insurance will provide you with a section-by-section analysis.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Cowper", written over the word "Sincerely,".

Steve Cowper
Governor

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Econ. Dev.
 Title: An Act relating to the licensing of agents, general agents, brokers, solicitors and adjusters BRU: Insurance
 Sponsor: Rules Components: Operations
 Requestor: Governor

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : (Attach a separate page if necessary) No fiscal impact in FY 90.

No fiscal impact on the division.

Prepared by: Joan Brown, Administrative Officer Phone: 465-2597
 Division: Insurance Date: January 29, 1990

Approved by Commissioner: Larry Mercusier Date: Feb 90
 Agency: Department of Commerce & Economic Development

Distribution (by preparer):
 Legislative Finance
 Legislative Sponsor
 Requestor
 Office of Management and Budget
 Impacted Agency(ies)

Amended version
highlighted

go0969sE
Ford
2/15/90

Original sponsor(s): Rules/Governor

based on Div of Insurance
recommendations

1 IN THE SENATE BY THE LABOR & COMMERCE COMMITTEE

2 CS FOR SENATE BILL NO. 273 (L&C)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of insurance
7 agents, general agents, brokers, managers, solici-
8 tors, adjusters, and firms; and providing for an
9 effective date."

10 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

11 * Section 1. AS 21.27.010(a) is amended to read:

12 (a) A person may not [IN THIS STATE] act as or represent to be
13 an agent, general agent, broker, solicitor, or adjuster unless li-
14 censed by the [THIS] state.

15 * Sec. 2. AS 21.27.010(b) is amended to read:

16 (b) An agent, general agent, solicitor, or broker may not solici-
17 it or take applications for, procure, or place for others any kind of
18 insurance for which the person is not licensed.

19 * Sec. 3. AS 21.27.030(a) is amended to read:

20 (a) The director may not grant an agent, general agent, solici-
21 tor, or broker license to a person if the director has reasonable
22 cause to believe that the [CIRCUMSTANCES OF THE] applicant for the
23 license would, [ARE SUCH THAT] during the 12-month period immediately
24 following issuance of the license, receive an [IF ISSUED, THE] aggre-
25 gate amount in [OF] commissions [TO BE] represented by the controlled
26 business that exceeds [WOULD EXCEED] the aggregate amount of commis-
27 sions [TO BE] represented by all other insurance business that would
28 [TO] be procured by or through the applicant.

29 * Sec. 4. AS 21.27.030(d) is amended to read:

1 (d) The director may revoke an agent, general agent, solicitor,
2 or broker license if the director has reasonable cause to believe that
3 during either of the two preceding calendar years the aggregate amount
4 of commissions represented by the controlled business procured by or
5 through the licensee exceeded the aggregate amount of commissions
6 represented by all other insurance business procured by or through the
7 licensee.

8 * Sec. 5. AS 21.27.050 is amended to read:

9 Sec. 21.27.050. ONE FILING OF PERSONAL DATA SUFFICIENT. (a)
10 The filing of personal data by an individual in connection with one
11 application for an agent or general agent license is [SHALL BE] suffi-
12 cient, regardless of the number of insurers to be represented [BY THE
13 AGENT] or the number of subsequent applications by the same applicant.

14 (L) The director may [FROM TIME TO TIME] require a licensed
15 agent, general agent, solicitor, broker, or adjuster, to supply the
16 information called for in an application for a license.

17 * Sec. 6. AS 21.27.060 is amended to read:

18 Sec. 21.27.060. EXAMINATION OF APPLICANTS. (a) An [EACH]
19 applicant for an individual license as agent, general agent, broker,
20 solicitor, or adjuster shall, before the issuance of the license,
21 personally take and pass, to the satisfaction of the director, an
22 examination given by the director as a test of the qualifications and
23 competence of the applicant. This requirement does not apply to

24 (1) applicants for limited licenses, as travel insurance
25 agents only, under AS 21.27.150, or, at the discretion of the direc-
26 tor, to applicants for licenses as disability insurance agents for the
27 purpose of handling limited coverages pertaining to sports and recre-
28 ation;

29 (2) applicants

was "withing"

1 (A) who, at any time within the two-year [FIVE-YEAR]
2 period immediately preceding the date of application, have been
3 licensed in this state under a license requiring qualifications
4 required by the license applied for;

5 (B) [AND] who are considered by the director to be
6 fully qualified and competent; and

7 (C) whose previous license was not revoked for any
8 reason;

9 (3) applicants for a license [AS NONRESIDENT AGENT OR AS
10 NONRESIDENT BROKER] who have fulfilled qualification requirements in
11 their state or province of residence and who are considered by the
12 director to be fully qualified and competent [;

13 (4) APPLICANTS FOR AN AGENT OR SOLICITOR LICENSE COVERING
14 THE SAME KINDS OF INSURANCE AS AN AGENT'S OR SOLICITOR'S LICENSE THEN
15 HELD BY THEM].

16 (b) The director may at any time require an individual licensed
17 as an agent, general agent, broker, solicitor, or adjuster to take and
18 successfully pass an examination testing competence and qualifications
19 as a condition to the continuance of the license if the licensee has
20 been guilty of a violation of this title, or has [SO] conducted af-
21 fairs under the license that [AS TO] cause the director reasonably to
22 desire further evidence of the qualifications of the licensee.

23 * Sec. 7. AS 21.27.080(d) is repealed and reenacted to read:

24 (d) The director may make arrangements, including contracting
25 with an outside testing service, for administering examinations and
26 collecting a nonrefundable fee.

27 * Sec. 8. AS 21.27.090 is repealed and reenacted to read:

28 Sec. 21.27.090. QUALIFICATIONS FOR LICENSING. (a) To qualify
29 for an agent, general agent, broker, solicitor, or adjuster license,

1 an applicant shall comply with this title and

2 (1) be 19 years of age or older with a high school or
3 General Education Development diploma or equivalent;

4 (2) if for a resident license, be a bona fide resident
5 before issuance of the license and actually reside in the state;

6 (3) successfully pass any examination required under
7 AS 21.27.060;

8 (4) be a trustworthy person;

9 (5) not use or intend to use the license for the purpose
10 principally of writing controlled business, as defined in AS 21.27.-
11 030;

12 (6) not have committed an act that is a ground for denial,
13 suspension, or revocation set out in AS 21.27.410;

14 (7) if the application is for an agent or general agent
15 license, be appointed as its agent or general agent by one or more
16 authorized insurers, subject to issuance of the license, except that
17 an individual acting on behalf of a firm is not required to have an
18 appointment as an agent or general agent for that activity;

19 (8) if the application is for a general agent license, have
20 a minimum of three years active working experience in insurance admin-
21 istrative functions, including those listed under the definition of
22 "general agent" in AS 21.90.900, that, in the director's ^{was "discretion"} discretion,
23 exhibits the applicant's ability to competently perform the adminis-
24 trative functions for all lines applied for;

25 (9) if the application is for a broker license, have a
26 minimum of three years' active working experience in all lines applied
27 for either as an agent, solicitor, adjuster, general agent, broker, or
28 as an employee of insurers or ^{WQS representatives} representative of insurers, or special
29 education or training of sufficient duration and extent to satisfy the

1 director that the applicant possesses the competence necessary to
2 fulfill the responsibilities of a broker;

3 (10) if the application is for a solicitor license, intend
4 to and in fact make the soliciting and handling of insurance business
5 under the license the applicant's principal gainful occupation and
6 represent and be employed by only one licensed agent, general agent,
7 or broker;

8 (11) if the application is for an adjuster license, have at
9 least six months' experience, special education, or training in handl-
10 ing loss claims under insurance contracts, of sufficient duration and
11 extent to make the person reasonably competent to fulfill the respon-
12 sibilities of an adjuster.

13 (b) If the director finds that the applicant is qualified and
14 that the license fee has been paid, the director shall issue the
15 license.

16 (c) The director may adopt regulations establishing additional
17 educational or experience requirements for applicants under (a) of
18 this section.

19 (d) To qualify for a firm agent or broker license an applicant
20 must comply with this title and

21 (1) comply with (a)(4) and (5) of this section;

22 (2) if a corporation, maintain a lawfully established place
23 of business in the state, except as provided in AS 21.27.270.

24 * Sec. 9. AS 21.27 is amended by adding a new section to read:

25 Sec. 21.27.095. LICENSING OF GENERAL AGENTS. (a) A general
26 agent has the authority, consistent with this title, that is conferred
27 by the insurer. A general agent, resident or nonresident, qualified
28 and licensed under AS 21.27.090, may exercise the powers conferred by
29 this title upon agents licensed for the kinds of insurance that the

1 general agent is authorized to transact for the insurer appointing the
2 agent.

3 (b) A person employed on salary by an insurer, including an
4 officer or salaried employee performing the same services as a general
5 agent, is considered to be a service representative and is not re-
6 quired to be licensed.

7 (c) For purposes of this section, a person that performs manage-
8 ment services for an insurer is not required to be licensed as a
9 general agent if the person

10 (1) is a wholly-owned subsidiary of the insurer;

11 (2) wholly owns the insurer; or

12 (3) is a wholly-owned subsidiary of the insurance holding
13 company that owns or controls the insurer.

14 * Sec. 10. AS 21.27.100 is amended to read:

15 Sec. 21.27.100. APPOINTMENT OF AGENTS OR GENERAL AGENTS. An
16 [EACH] insurer [, ON] appointing an agent or general agent in the
17 state [,] shall file written notice of the appointment [IN TRIPLICATE]
18 with the director on forms prescribed and furnished by the director.
19 If the appointee is [THEN] licensed and if the necessary licensing fee
20 is paid, [OR AS SOON AS LICENSED,] the director shall provide to the
21 insurer and to the appointee written notification of the effective
22 date of the appointment [MAIL ONE COPY OF THE APPOINTMENT TO THE AGENT
23 AND RETURN ONE COPY TO THE INSURER WITH THE THIRD COPY BEING RETAINED
24 IN THE DIRECTOR'S OFFICE].

25 * Sec. 11. AS 21.27.100 is amended by adding a new subsection to read:

26 (b) An insurer that enters into an agreement with a general
27 agent shall do so by means of a written contract that specifically
28 sets out the duties, functions, powers, authority, and compensation of
29 all parties to the contract. A contract with a general agent shall be

1 kept in the permanent records of the insurer and general agent, and be
2 open to inspection by the director.

3 * Sec. 12. AS 21.27.110 is amended to read:

4 Sec. 21.27.110. TERM OF APPOINTMENT [OF AGENT]. An [EACH]
5 appointment under AS 21.27.100 continues [SHALL CONTINUE] in force
6 until

7 (1) the 30th of June of each year unless continued [RENEWED]
8 by the insurer by payment to the director on or before the close of
9 business on the 30th day of June of an annual fee set under AS 21.06.-
10 250; [OR]

11 (2) the appointment is revoked by the insurer by written
12 notice of revocation to the appointee and [AGENT; THE INSURER SHALL
13 IMMEDIATELY FILE A DUPLICATE COPY OF THE NOTICE OF REVOCATION WITH]
14 the director; or

15 (3) the appointment is revoked by the director by written
16 notice of revocation to the appointee and insurer [NO FEE SHALL BE
17 CHARGED FOR FILING THE COPY].

18 * Sec. 13. AS 21.27.120(a) is amended to read:

19 (a) Revocation of an appointment is [BY THE INSURER SHALL BE
20 CONSIDERED TO BE] effective as of the date designated in the notice as
21 being the effective date if the notice is actually received by the
22 appointee [AGENT] before the designated date; otherwise, as of the
23 earlier of the following dates:

24 (1) the date the notice of revocation was received by the
25 appointee [AGENT];

26 (2) the date the notice, if mailed to the agent at the
27 appointee's [AGENT'S] last address of record [WITH THE INSURER], in
28 due course should have been received by the appointee [AGENT].

29 * Sec. 14. AS 21.27.130 is amended to read:

1 Sec. 21.27.130. FORM AND CONTENT OF [AGENT, BROKER, SOLICITOR]
2 LICENSES. Agent, ^{added} general agent, adjuster, solicitor, and broker

3 licenses must be in the form the director prescribes, and must set out

4 (1) the name and address of the licensee, or if the li-
5 censee is required to have a place of business, the address of the
6 place of business;

7 (2) if for [THE AGENT OR BROKER IS] a firm, the name of the
8 principal or manager of the firm [HOLDING AN INDIVIDUAL LICENSE AS
9 REQUIRED BY AS 21.27.140];

10 (3) the kind or kinds of insurance the licensee is licensed
11 to handle;

12 (4) if a solicitor's license, the name and address of the
13 agent or broker represented by the solicitor;

14 (5) the condition under which the license is granted;

15 (6) the date of issuance of the license.

16 * Sec. 15. AS 21.27.160 is amended to read:

17 Sec. 21.27.160. SCOPE [NUMBER] OF LICENSES. An agent, general
18 agent, broker, solicitor, or adjuster is only required to have [BUT]
19 one type of license inclusive of all kinds or combination of kinds of
20 insurance the agent, general agent, broker, adjuster, or solicitor is
21 licensed to handle, regardless of the number of represented insurers
22 [FOR WHOM THE AGENT IS APPOINTED].

23 Sec. 16. AS 21.27.160 is amended by adding a new subsection to read:

24 (b) The following license types may be issued:

25 (1) an all lines license;

26 (2) a property or casualty lines license; or

27 (3) a life lines license.

28 Sec. 17. AS 21.27.190 is amended by adding a new subsection to read:

29 (d) The director may adopt, by regulation, an alternative to the

1 bond required by this section.

2 * Sec. 18. AS 21.27.240 is amended to read:

3 Sec. 21.27.240. FEE FOR AND [,] CUSTODY OF SOLICITOR'S LICENSE
4 [AND CANCELLATION]. (a) An agent, general agent, or broker who
5 employs a solicitor shall pay the fee for issuance, or annual fee for
6 continuation, of a solicitor license.

7 (b) The solicitor license [SHALL BE DELIVERED TO AND] shall
8 remain in the possession of the employer [EMPLOYING AGENT OR BROKER].
9 Upon termination of the employment, the license terminates and shall
10 be returned to the director for cancellation.

11 * Sec. 19. AS 21.27.250(a) is amended to read:

12 (a) A solicitor license may not cover [ANY KIND OF] insurance
13 for which the agent, general agent, or broker by whom the solicitor is
14 employed is not [THEN] licensed.

15 * Sec. 20. AS 21.27.250(c) is amended to read:

16 (c) An individual may [SHALL] not be licensed as an agent,
17 general agent, or broker while licensed as a solicitor.

18 * Sec. 21. AS 21.27.260 is amended to read:

19 Sec. 21.27.260. EMPLOYER'S RESPONSIBILITY FOR SOLICITOR [OF
20 EMPLOYING AGENT OR BROKER]. All business transacted by a solicitor
21 under license as a solicitor shall be in the name of the agent, gen-
22 eral agent, or broker by whom the solicitor is employed. The [AND
23 THE] agent, general agent, or broker is [SHALL BE] responsible for all
24 acts or omissions of the solicitor within the scope of employment as
25 solicitor.

26 * Sec. 22. AS 21.27.270(a) is amended to read:

27 Sec. 21.27.270. LICENSING OF NONRESIDENT AGENTS, GENERAL AGENTS,
28 BROKERS, OR ADJUSTERS. (a) The director may license as a nonresident
29 insurance agent, general agent, broker, or adjuster a person who

1 otherwise qualifies under this title, but who is not a resident of or
2 domiciled in the state {ALASKA}.

3 * Sec. 23. AS 21.27.280(a) is amended to read:

4 Sec. 21.27.280. DIRECTOR AS AGENT FOR SERVICE OF PROCESS
5 [AGAINST NONRESIDENT AGENT, BROKER, ADJUSTER]. (a) A [EACH] licensed
6 nonresident agent, general agent, broker, or adjuster shall appoint
7 the director as attorney to receive service of legal process issued
8 against the licensee [AGENT, BROKER OR ADJUSTER] in this state upon
9 causes of action arising in this state. Service upon the director as
10 attorney constitutes [SHALL CONSTITUTE] effective legal service upon
11 the licensee [AGENT, BROKER OR ADJUSTER].

12 * Sec. 24. AS 21.27.280(b) is amended to read:

13 (b) The appointment is [SHALL BE] irrevocable for as long as
14 [THERE COULD BE] a cause of action may be brought against the licensee
15 [AGENT, BROKER OR ADJUSTER] arising out of insurance transactions in
16 this state.

17 * Sec. 25. AS 21.27.280(c) is amended to read:

18 (c) Duplicate copies of legal process against the licensee
19 [AGENT, BROKER OR ADJUSTER] shall be served upon the director either
20 by a peace officer or through certified mail with return receipt
21 requested. At the time of service the plaintiff shall pay to the
22 director a fee set under AS 21.06.250, taxable as costs in the action.

23 * Sec. 26. AS 21.27.280(d) is amended to read:

24 (d) Upon receiving a [THE] service of legal process, the direc-
25 tor shall immediately send one of the copies of the process, by cer-
26 tified mail with return receipt requested, to the defendant licensee
27 [AGENT, BROKER OR ADJUSTER] at the defendant's last address of record
28 with the director.

29 * Sec. 27. AS 21.27.310(a) is amended to read:

1 (a) An individual who has not passed the examination required by
2 AS 21.27.090(a)(3) or does not have the experience or special educa-
3 tion with reference to the handling of loss claims required under
4 AS 21.27.090(a)(11), but who otherwise meets the requirements of
5 AS 21.27.090, [AS 21.27.290(3)] may be employed and licensed as a
6 trainee adjuster, subject to the provisions of this section.

7 * Sec. 28. AS 21.27.310(b) is amended to read:

8 (b) A licensed adjuster employing a trainee adjuster shall
9 immediately submit to the director the [INFORM THE DIVISION OF INSUR-
10 ANCE BY CERTIFIED MAIL, WITH RETURN RECEIPT REQUESTED, OF THE EMPLOY-
11 MENT OF A TRAINEE ADJUSTER, GIVING THE EXACT DATE OF EMPLOYMENT AND
12 ENCLOSING WITH THE CORRESPONDENCE THE ADJUSTER LICENSE] application
13 [FORM] of the trainee adjuster, with the fee set under AS 21.06.250
14 [PROPERLY COMPLETED].

15 * Sec. 29. AS 21.27.310(c) is amended to read:

16 (c) A trainee adjuster shall comply with the adjuster licensing
17 requirements of AS 21.27.090(a)(3) and (11) within 12 months after the
18 effective date of [MAY TAKE] the trainee adjuster license [EXAMINATION
19 AFTER SIX MONTHS FROM THE DATE OF RECEIPT OF THE APPLICATION BY THE
20 DIVISION OF INSURANCE].

21 * Sec. 30. AS 21.27.310 is amended by adding a new subsection to read:

22 (g) The director shall terminate the license of a trainee ad-
23 juster who is not in compliance with this section. A licensee or
24 other person having possession or custody of the license shall immedi-
25 ately deliver the license to the director either personally or by
26 mail.

27 * Sec. 31. AS 21.27.320(a) is amended to read:

28 Sec. 21.27.320. [ADJUSTMENT BY] AGENT OR GENERAL AGENT AS AD-
29 JUSTER; [AND] NONRESIDENT ADJUSTERS. (a) On behalf of and as

1 authorized by an insurer for which the agent or general agent is ap-
2 pointed [LICENSED AS AGENT], an agent or general agent may occasion-
3 ally [FROM TIME TO TIME] act as an adjuster and investigate and report
4 upon claims without being required to be licensed as an adjuster.

5 * Sec. 32. AS 21.27.330 is amended to read:

6 Sec. 21.27.330. PLACE OF BUSINESS. A [EACH] licensed agent,
7 general agent, broker, and adjuster, other than those [AN AGENT]
8 licensed for life or disability insurances or annuities only, shall
9 have and maintain in this state, or if a nonresident agent or nonresi-
10 dent broker, in the state of domicile, a place of business accessible
11 to the public [. THE PLACE OF BUSINESS IS] where the licensee [AGENT,
12 BROKER, OR ADJUSTER] principally conducts transactions under the
13 licenses. The address of the place of business must [SHALL] appear on
14 all licenses of the licensee, and the licensee must [SHALL] promptly
15 notify the director of any change of address. If the licensee main-
16 tains more than one place of business in this state, the licensee
17 shall obtain a [DUPLICATE OF THE] license or licenses for each addi-
18 tional place, and shall pay an additional license fee for each [DUPLI-
19 CATE] license.

20 * Sec. 33. AS 21.27.340 is amended to read:

21 Sec. 21.27.340. PUBLIC DISPLAY OF LICENSE. (a) The license or
22 licenses of each agent, general agent, broker, and adjuster, other
23 than licenses as to life or disability insurances or annuities only,
24 [OR OF EACH BROKER OR ADJUSTER] shall be displayed in a conspicuous
25 place in that part of the place of business that [WHICH] is customar-
26 ily open to the public.

27 (b) The license of a solicitor shall be displayed in each place
28 of business of the agent, general agent, or broker by whom the solici-
29 tor is employed.

1 * Sec. 34. AS 21.27.350 is amended to read:

2 Sec. 21.27.350. MAINTENANCE OF RECORDS; FORM AND CONTENT [OF
3 AGENTS, BROKERS, ADJUSTERS]. (a) An [EACH] agent, general agent,
4 broker, or adjuster shall keep at the address [AS] shown on the li-
5 cense a record of all transactions consummated under the license.
6 This record shall be in organized form and must include

7 (1) if an agent, general agent, or broker,

8 (A) a record of each insurance contract procured,
9 issued, or countersigned, together with the names of the insurers
10 and insureds, the amount of premium paid or to be paid, and a
11 statement of the subject of the insurance;

12 (B) the names of any other licensees from whom busi-
13 ness is accepted, and of persons to whom commissions or allow-
14 ances of any kind are promised or paid;

15 (2) if an adjuster, a record of each investigation or
16 adjustment undertaken or consummated, and a statement of the fee,
17 commission, or other compensation received or to be received by the
18 adjuster on account of the investigation or adjustment;

19 (3) additional information that [WHICH] is customary, or
20 that [WHICH] may reasonably be required by the director.

21 * Sec. 35. AS 21.27.350(c) is amended to read:

22 (c) In addition to the record required under (a) of this sec-
23 tion, each agent, general agent, or broker shall have and maintain at
24 the [AGENT'S OR BROKER'S] principal place of business current account-
25 ing and financial records maintained under [IN ACCORDANCE WITH] gener-
26 ally accepted accounting principles. The director may request summary
27 or detailed copies for examination by the division. Records examined
28 under this subsection are confidential when in the possession of the
29 division, but may be used by the director in a proceeding against the

1 licensee. For purposes of this subsection, the records of a firm are
2 also [SHALL BE CONSIDERED] the records of an individual licensee
3 [AGENT OR BROKER] acting on behalf of the firm.

4 * Sec. 36. AS 21.27.360 is amended to read:

5 Sec. 21.27.360. REPORTING AND ACCOUNTING FOR PREMIUMS. (a) A
6 licensee [AN AGENT OR OTHER REPRESENTATIVE OF AN INSURER] involved in
7 the procuring or issuance of an insurance contract shall report to the
8 insurer the exact amount of consideration charged as a premium for the
9 contract. The amount charged shall be shown in the contract and in
10 the records of the licensee [AGENT].

11 (b) All money [FUNDS], except that [THOSE] made payable to the
12 insurer, representing premiums or return premiums received by the
13 licensee [AN AGENT OR BROKER], shall be received in the fiduciary
14 account of the licensee [AGENT OR BROKER,] and shall be deposited in a
15 bank account or depository separate from any other account or depos-
16 itory, and shall be promptly accounted for and paid to the insured,
17 insurer, or agent entitled to the money [FUNDS]. For purposes of this
18 subsection, the fiduciary account of the firm shall be considered the
19 fiduciary account of an individual licensee [AGENT OR BROKER] acting
20 on behalf of the firm. Money [FUNDS] deposited into a fiduciary
21 account may not be commingled or otherwise combined with other money
22 [FUNDS], except as allowed under (d) of this section.

23 (c) A licensee [AN AGENT, SOLICITOR, OR BROKER] who, [NOT BEING
24 LAWFULLY ENTITLED TO FUNDS,] is determined by the director, following
25 an appropriate hearing as provided in AS 21.06.170 - 21.06.230, to
26 have unlawfully diverted or appropriated money [THEM OR ANY PORTION OF
27 THEM] to personal use, is subject to a civil penalty not to exceed
28 \$25,000 for each violation.

29 (d) A licensee [AN AGENT OR BROKER] may commingle with premium

1 money [FUNDS], additional money [FUNDS] for the purpose of advancing
2 premiums, establishing reserves for the payment of return premiums, or
3 reserves for receiving and transmitting premium or return premium
4 money. Money [FUNDS. FUNDS] collected for the payment of premium
5 taxes, policy or filing fees, late payment charges, and interest from
6 fiduciary money [FUNDS] on deposit, may be commingled in a fiduciary
7 account, but shall be separately accounted for and periodically re-
8 moved from the fiduciary account.

9 (e) A licensee [AN AGENT OR BROKER] may not treat money [FUNDS]
10 required to be in a fiduciary account as a personal asset, as collat-
11 eral for a personal or business loan, or as a personal asset or income
12 on a financial statement, except that money [FUNDS] in a fiduciary
13 account may be included in a financial statement of the licensee
14 [AGENT OR BROKER] if clearly identified as fiduciary account assets.

15 (f) In this section, "fiduciary account" means an account in
16 which the licensee [AGENT OR BROKER] holds money [FUNDS] as a trustee
17 for the insured, insurer, general agent, surplus lines broker, or
18 agent entitled to the money [FUNDS].

19 * Sec. 37. AS 21.27.360 is amended by adding a new subsection to read:

20 (g) The director may adopt regulations as necessary to implement
21 this section.

22 * Sec. 38. AS 21.27.380 is repealed and reenacted to read:

23 Sec. 21.27.380. LICENSE CONTINUATION. (a) A license continues
24 in force, upon payment of

25 (1) an annual fee set under AS 21.06.250 for resident and
26 nonresident agent, general agent, solicitor, and adjuster licenses
27 that must be received by the director on or before the close of busi-
28 ness on the 30th day of June;

29 (2) an annual fee set under AS 21.06.250 for resident and

1 nonresident broker licenses, that must be received by the director on
2 or before the close of business on the 31st day of December.

3 (b) An agent, general agent, or broker shall file the annual fee
4 set under AS 21.06.250 on behalf of a solicitor employed by the agent,
5 general agent, or broker.

6 (c) If payment of the annual license fee is not received by the
7 director before the due date as required under this section, the
8 licensee shall pay to the director and the director shall collect, in
9 addition to the regular fee, a surcharge as established by regulation
10 under AS 21.06.250. This subsection does not exempt a person from a
11 penalty provided by law for transacting business without a valid
12 license.

13 (d) If a licensee does not wish to continue a license issued
14 under this chapter, the licensee shall surrender the license as pro-
15 vided in AS 21.27.460.

16 * Sec. 39. AS 21.27.390(a) is amended to read:

17 (a) The director may issue a [ADOPT REGULATIONS REGARDING THE
18 ISSUANCE OF AN AGENT OR BROKER] temporary license to

19 (1) the surviving spouse or next of kin or to the adminis-
20 trator or executor of a deceased licensed agent, general agent, or
21 broker;

22 (2) the spouse, next of kin, employee, or legal guardian of
23 a licensed agent, general agent, or broker who is disabled because of
24 sickness, insanity, or injury;

25 (3) a surviving member, officer, or employee of a firm
26 licensed as agent, general agent, or broker, upon the death of the
27 principal or manager of the firm holding the same licenses as the
28 firm; or *add*

29 (4) the designee of a licensed agent who enters active

1 service in the armed forces of the United States [;

2 (5) A PERSON PREPARING FOR EXAMINATION FOR PERMANENT LI-
3 CENSE UNDER THE SUPERVISION OF AN AUTHORIZED INSURER].

4 * Sec. 40. AS 21.27.400(b) is amended to read:

5 (b) A person requesting a temporary agent or general agent
6 license because of the death or disability of an agent or general
7 agent may not be appointed by [LICENSED FCR] an insurer for which the
8 agent or general agent was not appointed [LICENSED] at the time of
9 death or commencement of disability.

10 * Sec. 41. AS 21.27.410(a) is amended by adding a new paragraph to
11 read:

12 (10) if the applicant failed to continue or surrender a
13 similar license as provided in AS 21.27.380, that resulted in revoca-
14 tion of the license within the 12 months preceding the date the new
15 application is received.

16 * Sec. 42. AS 21.27.460(a) is amended to read:

17 (a) A [EACH] license issued under this chapter [,ALTHOUGH ISSUED
18 AND DELIVERED TO THE LICENSEE AGENT, BROKER, SOLICITOR, OR ADJUSTER,]
19 is the property of the state. Upon the termination, suspension, or
20 revocation of the license, the licensee or other person having pos-
21 session or custody of the license shall immediately deliver it to the
22 director either personally [BY PERSONAL DELIVERY] or by mail.

23 * Sec. 43. AS 21.34.140(d) is amended to read:

24 (d) A firm or corporation is eligible for license if the firm or
25 corporation complies with AS 21.27.090(d) and 21.27.140

26 [(1) THE LICENSE LISTS INDIVIDUALS WITHIN THE CORPORATION
27 WHO HAVE SATISFIED ALL REQUIREMENTS OF THIS CHAPTER TO BECOME SURPLUS
28 LINES BROKERS; AND

29 (2) ONLY THOSE INDIVIDUALS LISTED ON THE LICENSE WILL

1 TRANSACT SURPLUS LINES BUSINESS].

2 * Sec. 44. AS 21.34.140 is amended by adding a new subsection to read:

3 (f) The requirements of (b)(4) of this section do not apply to
4 an individual who acts on behalf of a firm that files and maintains in
5 force the bond described in (b)(4) of this section. The director may
6 adopt, by regulation, an alternative to the bond required by (b)(4) of
7 this section. *added*

8 * Sec. 45. AS 21.88.050(a) is amended to read:

9 (a) The corporation shall

10 (1) in the form approved by the director, issue to all
11 physicians, nurses, and hospitals who are found to be acceptable risks
12 under standards developed under (5) of this subsection, and who pay
13 the premiums for it, a contract or contracts indemnifying physicians,
14 nurses, and hospitals and their employees who are health care provid-
15 ers against loss by reason of liability for covered claims for an act
16 or omission in the delivery of professional health care in this state,
17 and agreeing to tender on behalf of the physicians, nurses, and hos-
18 pitals and their employees who are health care providers a defense to
19 a covered claim in a proceeding brought under AS 09.55.530 - 09.-
20 55.560; the limits of liability for policies issued by the corporation
21 shall be approved by the director; the contract shall cover the de-
22 fense against but need not indemnify liability for punitive damages
23 arising from a covered claim; at the option of the corporation, if
24 approved by the director, and for an additional premium the contract
25 may cover claims against the physician, nurse, or hospital that arise
26 out of professional services performed by the physician, nurse, or
27 hospital for any period before the contract is issued, except that
28 coverage will not be provided for a claim already filed or that the
29 physician, nurse, or hospital had or reasonably should have had notice

1 at the time the retroactive insurance was purchased;

2 (2) charge a premium for the protection provided by the
3 contracts issued by the corporation which shall be determined by the
4 board of governors under [IN ACCORDANCE WITH] AS 21.88.080 and subject
5 to the approval of the director;

6 (3) comply with or be subject to AS 21.06.090, 21.06.120,
7 21.06.140, 21.06.160, 21.06.250, AS 21.09.180 - 21.09.200, 21.09.250,
8 [21.09.280,] AS 21.12.020(b) - (e), AS 21.18, AS 21.21, AS 21.24,
9 AS 21.27.100, and AS 21.36; and shall be exempt from participation as
10 a member insurer in the Alaska Insurance Guaranty Corporation;

11 (4) carry out the obligations of the contracts issued by
12 the corporation by defending all covered claims made against insured
13 health care providers and by paying all liabilities that are finally
14 adjudicated against the insured health care provider or that may in
15 the opinion of the corporation reasonably be expected to be finally
16 adjudicated against the health care provider to the extent of the
17 contract obligation;

18 (5) establish standards for the acceptability of risks; in
19 establishing these standards the corporation may exclude an applicant
20 for insurance based on individual risk selection factors, but may not
21 exclude an applicant based only on the classification of the appli-
22 cant.

23 * Sec. 46. AS 21.90.900 is amended by adding new paragraphs to read:

24 (24) "general agent" means a person, firm, or corporation
25 that

26 (A) has authority to exercise general supervision over
27 the business, or any part of the business, of one or more au-
28 thorized insurers in this state, with the authority to appoint
29 agents for the insurer and to terminate the appointment; and

1 (B) for compensation from an authorized insurer per-
2 forms administrative functions normally performed by the insurer
3 including claims administration and payment, marketing adminis-
4 tration, agent appointment, premium accounting, premium billing,
5 coverage verification, final underwriting authority, and certifi-
6 cate issuance; "general agent" includes a third-party administra-
7 tor;

8 (25) "licensee" means a person or firm licensed as provided
9 in AS 21.27 or AS 21.34.

10 * Sec. 47. AS 21.09.280; AS 21.27.180, 21.27.220, 21.27.230, 21.27.-
11 280(e), 21.27.290, and 21.27.300 are repealed.

12 * Sec. 48. This Act takes effect January 1, 1991.
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CSSE 273 (Fin) "An Act relating to the regulation of insurance agents, general agents, brokers, managers, solicitors, adjusters, and firms; and providing for an effective date."

EXPLANATION OF THE BILL:

This bill was requested by the Governor on behalf of the Division of Insurance to improve and update the licensing of insurance agents and brokers. It is based on a National Association of Insurance Commissioners model act, and carries a zero fiscal note. The bill will substantially simplify licensing procedures, which will benefit both licensees and regulators.

The main substantive changes in the bill are as follows:

1) It requires more frequent re-testing of applicants who were previously licensed, by requiring that persons who have dropped out of the industry for more than 2 years (rather than 5) be retested;

2) It adds educational requirements for licensing by requiring a high school degree or its equivalent, and also requires that general agents have a minimum of 3 years working experience in insurance administrative functions, as they have substantial administrative responsibilities;

3) It allows the director of insurance to establish more educational or experience requirements by regulation;

4) It clarifies that the bond requirement for brokers and their firms is not required for each individual in the firm (the firm's bond covers everyone in the firm). In addition, it allows the director of insurance to establish alternatives to the broker license bond requirements;

5) It limits the term of a trainee adjuster to one year; after that time, a person must obtain a regular adjuster license; and

6) It limits the use of a temporary license to cases involving disability or death of an agent, general agent or broker.

EXPLANATION OF L&C AND FINANCE COMMITTEE SUBSTITUTES:

The Labor and Commerce committee substitute makes a number of technical changes which were requested by the department. The department has prepared a highlighted side-by-side comparison of the bill with existing law, which I have made available to the members.

The Finance committee substitute adds a provision that a person's or firm's license continue if, in addition to meeting the other licensing requirements, the licensee demonstrates to the director of insurance that the licensee continues to meet additional educational requirements that are set in regulation. (The change is on page 16, lines 16-20.)

The Finance Committee letter of intent states the committee's intent that the continuing education requirements follow the National Association of Insurance Commissioners model, and that the director of insurance seek the advice of Alaska insurance organizations and associations on any appropriate adaptations to the model. The department intends to work closely with interested individuals and organizations in developing regulations for continuing education.

Both the Labor & Commerce and Finance Committees reported the bill out with a unanimous "Do Pass" recommendation.

Eliason, Faiks, Rodey: L&C
Uehling, Duncan, Zharoff, Pearce: Finance

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274

Alaska State Legislature



SENATOR JIM DUNCAN

P. O. Box V JUNEAU, ALASKA 99811-3100

(907) 465-4766

COMMITTEES:
FINANCE
VICE CHAIR —
HEALTH EDUCATION
& SOCIAL SERVICES
BUDGET & AUDIT
BANKING &
ECONOMIC
DEVELOPMENT

M E M O R A N D U M

April 22, 1989

To: Senator Dick Eliason, Chair
Senate Labor and Commerce Committee

From: Senator Jim Duncan

Subject: Requesting a hearing for SB 274
"An Act Authorizing an Alaska-Soviet Ice Classic"

Thank you scheduling a hearing for SB 274. Attached you will find all pertinent information on the bill. You may contact Mike Young of staff at extention 4766 for any further assistance.

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: HB 261
PUBLISH DATE: 3/31/89

FISCAL NOTE

REQUEST:

Revision Date: _____
Title: Soviet - American Ice Classic

Agency Affected: Revenue
BRU: Income & Excise Audit

Sponsor: Hudson, et al.
Requestor: Judiciary & Finance

Components: Operating

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
OPERATING						
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	0	0	0	0	0
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LANDS & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	0	0	0	0	0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	0	0	0	0	0
CAPITAL	0	0	0	0	0	0
REVENUE	0	0	0	0	0	0

FUNDING: (Thousands of Dollars)

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
GENERAL FUND	0	0	0	0	0	0
FEDERAL FUNDS	0	0	0	0	0	0
OTHER	0	0	0	0	0	0
TOTAL	0	0	0	0	0	0

POSITIONS:

	FY 90	FY 91	FY 92	FY 93	FY 94	FY 95
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Prepared By: Steven E. Kettel
Division: Income and Excise Audit

Phone: (907) 465-2320
Date: April 11, 1989

Approved by Commissioner: Hugh Malone
Agency: Department of Revenue

Date: April 11, 1989

Distribution (by preparer):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

HB 261
April 11, 1989

Analysis

The Soviet - American Ice Classic will have no effect on the Games of Chance and Skill program currently in place. Camai, Inc. would operate this ice classic, and the department would not be involved other than receiving and processing an annual application and annual report. This ice classic is not predicted to have any impact on the enforcement and audit function carried out by the department under the Games of Chance and Skill program.

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288

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 1/23/90

FURTHER:

Date of 5-Day Notice: 2/15/90
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: 2/22/90

Labor & Commerce Committee considered SSSB 288

"An Act relating to the Real Estate Commission; and providing for an effective date."

and recommended:

- replace with _____ CS _____ same title
- attached amendment(s) new title
- _____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to Finance Committee

ATTACHES NEW FISCAL NOTE(S):

Department(s)/Date:

Department(s)/Date:

fiscal note(s) Dept of Commerce 2/21/90

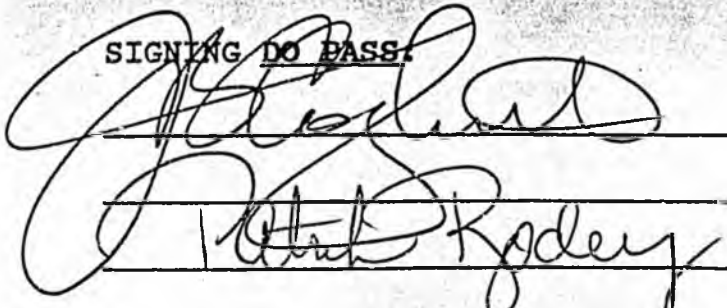
zero fiscal note(s) _____

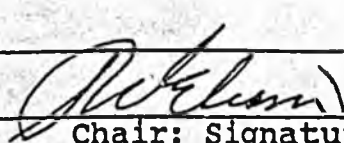
appropriation-no fiscal note

Governor's bill w/fiscal note

SIGNING DO PASS:

OTHER RECOMM. IDATIONS:



 Do Pass
Chair: Signature and Recommendation

SSSB 288: "An Act relating to the Real Estate Commission; and providing for an effective date."

The Department of Commerce and Economic Development supports passage of SSSB 288. The bill, as revised, beefs up present real estate licensing requirements by adding consumer protection provisions which the Real Estate Commission and the Division of Occupational Licensing wholeheartedly support. What follows is a sectional analysis of the proposed amendments to AS 08.88.

Section 1 of the bill amends AS 08.88.081 to clarify the ability of the Real Estate Commission (hereinafter "commission") to adopt appropriate administrative regulations. AS 08.01.080 gives broad authority to the department to adopt "regulations necessary to implement the licensing statutes." Most of the individual board statutes reiterate this authority, but the commission's existing language limits its authority to adopting "regulations pertaining to the responsibilities of licensees." The proposed amendment would bring the real estate license law into conformity with the centralized licensing statute and give the commission authority parallel to that granted other boards.

Section 2 of the bill amends AS 08.88.091 by establishing a variety of education requirements. Every other licensing jurisdiction in the United States and Canada requires either prelicensing or continuing education. Most require both. Only four (4) other states have no prelicensing educational requirements and only ten (10) other states have no continuing educational requirements. Nationally, prelicensing requirements average fifty-eight (58) hours while continuing education requirements average twenty-five (25) hours over a two-year licensing period. Alaska needs to join the rest of the country by setting some minimum education standards for its applicants and licensees.

Although SB 288 is not specifically modeled after other state legislation, the statutory requirements of other jurisdictions were reviewed before formulating the additions proposed in this section of the bill. The primary objective is to ensure that applicants for initial licensure, salespersons, and salespersons seeking to upgrade their licenses to broker or associate broker have the appropriate level of knowledge. Licensees and applicants should thoroughly understand the complexities of holding title, financing, agency, and representation and disclosure, and should be sensitive to the expectations which the public has of real estate professionals.

The various educational requirements contained in this section were drafted to require: (1) a broader base of knowledge before issuance of an initial license to an applicant for a real estate license; (2) a minimum number of continuing education hours for licensed salespersons and brokers in order to ensure licensees are keeping up-to-date on important industry changes; and (3) specific additional classroom training for persons seeking to become brokers and associate brokers because the responsibilities of these positions are great and not always fully appreciated by those seeking or holding the license.

The number of hours required by this section has been tempered by an appreciation for the complexities of providing real estate education courses to licensees across all areas of the state. The geographic distribution of licensees is a factor that must be considered. As proposed, the Real Estate Commission would not be a provider of classes, but would control course quality by recognizing for credit only those courses and instructors which were approved by the commission prior to presentation [AS 08.88.091(e)].

The increasing complexity of real estate transactions requires that a greater degree of competency and skill be attained in order to adequately protect the public. For example, requiring a minimum number of classroom hours prior to licensure will help to protect prospective home buyers from errors made by the inexperienced licensee [AS 08.88.091(b)]. Requiring additional training focused on office supervisory responsibilities and trust account management prior to being licensed as a broker or associate broker will address the most common causes for complaints received by the division against real estate brokers [AS 08.88.091(c)]. Finally, requiring continuing education during each biennial licensing period should assist in ensuring that all real estate professionals are periodically updated on current real estate laws and practices [AS 08.88.091(d)].

In addition to attaining a new level of credibility and professional respect from other licensing jurisdictions, adoption and implementation of these requirements as an integral part of Alaska's real estate licensing program will enhance the degree of public protection and service available to consumers in the state.

Sections 3 through 5 of SB 288 simply make the amendments necessary to applicant, licensee, and broker provisions of the statute to require proof of having complied with the education requirements set out in Section 2 of the bill. In addition, these sections replace existing language that states a person is "entitled" to a license with language stating that a person is "eligible" for a license, thus allowing the Real Estate Commission some discretion in determining whether an applicant's qualifications meet the intent as well as the letter of the law.

Section 6 amends AS 08.88.251(c) to shorten the maximum time a license may be held inactive. The purpose of limiting the amount of time a person may hold a license in an inactive status and still reactivate without retesting is to protect the public from licensees who have been out of touch with real estate practices for an extended period of time. The current three-year limit does not serve this purpose in today's rapidly changing marketplace. In addition, the need to "renew inactive" in order to prevent the license from lapsing at the end of each licensing biennium is extremely confusing to licensees who assume that the inactive status prevails for a three-year period with nothing required from them during that time.

Section 7 of the bill amends AS 08.88.261 to repeal statutory provisions providing for reciprocity. As it now exists, AS 08.88.261 is operative only when there are reciprocal agreements with other states.


Presently, no state has signed an agreement with Alaska because of the absence of educational requirements. Among states that do have reciprocal agreements, the agreement itself usually contains a clause that requires the applicant to demonstrate familiarity with that state's license law by passing the state law portion of the examination. Assuming SB 288 passes and the educational requirements become necessary, it is anticipated that the requirement to pass the state portion of the Alaska exam would remain.

However, another section of the real estate statute -- AS 08.88.263 (entitled "License by Endorsement") -- presently authorizes the commission to recognize the license and experience of a real estate professional from another state seeking licensure here in Alaska. This existing provision also contains language allowing the commission to ensure that the applicant from another state is familiar with Alaska's license law before issuing him or her an Alaska license.

To have both AS 08.88.261 and 263 in their present form in the statute is confusing to present and potential licensees. Because AS 08.88.263 is the only section currently applicable and would continue to be so following passage of SB 288, this bill repeals the inoperative AS 08.88.261.

Finally, Sections 8-10 of the bill establish varying effective dates. The effective dates of the various educational requirements would allow the Real Estate Commission staff to gradually approve course outlines and instructors on a realistic basis, and still implement the overall program in a timely manner. The first continuing education requirement would coincide with the next biennial renewal (January, 1992).

This bill establishes some very necessary education requirements for the real estate industry and brings Alaska into step with the other licensing jurisdictions. The provisions of the bill have been discussed and debated by the real estate industry and the commission. It reflects a compromise that will benefit Alaskan consumers and ensure better trained and qualified real estate professionals. For these reasons, the department urges passage of the bill.



Larry Mercurieff, Commissioner

Date: 11/30/90

FISCAL NOTE

REQUEST:

Revision Date: _____ Agency Affected: Commerce & Economic Dev.
Title: An Act relating to the Real Estate BRU: Occupational Licensing
Commission;
Sponsor: Senator Sturgulewski Components: _____
Requestor: Senate Labor & Commerce

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	17.5	17.5	17.5	17.5	17.5	17.5
TRAVEL	3.5	3.5	3.5	3.5	3.5	3.5
CONTRACTUAL	2.0	2.0	2.0	2.0	2.0	2.0
SUPPLIES	1.0	1.0	1.0	1.0	1.0	1.0
EQUIPMENT	7.7	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	31.7	24.0	24.0	24.0	24.0	24.0
CAPITAL	0	0	0	0	0	0
REVENUE	19.8	17.5	18.5	23.4	22.9	26.3

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER GF/PR	31.7	24.0	24.0	24.0	24.0	24.0
TOTAL	31.7	24.0	24.0	24.0	24.0	24.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	1	1	1	1	1	1
TEMPORARY	0	0	0	0	0	0

ANALYSIS : (Attach a separate page if necessary) The bill beefs up present real estate licensing requirements by adding consumer protection provisions to AS 08.88. Specifically, the bill provides the Real Estate Commission authority to establish minimum education requirements prior to licensure; and to establish continuing education requirements for license renewal. (CONTINUED)

Prepared by: Jennifer Strickler, Administrative Officer Phone: 465-2144
Division: Occupational Licensing Date: 2/21/90

Approved by Commissioner: Larry McChieff Date: 21 Feb-90
Agency: Department of Commerce & Economic Development

Distribution (by preparer):
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

CONTINUATION OF FISCAL NOTE ANALYSIS - SSSB 228

The new provisions of the bill will require considerable staff resources in reviewing course outlines for approval, reviewing instructor resumés for approval, interviewing instructor candidates, and visiting course presentations, and responding to licensee inquiries regarding education requirements. This fiscal note provides for an additional one-half time position to assist with the new prelicensing and continuing education requirements.

PERSONAL SERVICES: \$17.5

One Seasonal Occupational Licensing Examiner I
12 months (half days), GGU, Range 12A

TRAVEL: \$ 3.5

Funding will provide transportation and per diem to visit and review course presentations in various locations throughout the State.

CONTRACTUAL SERVICES: \$ 2.0

Funding provides for printing, advertising, postage, and communication costs.

SUPPLIES: \$ 1.0

Funding will provide standard office supplies.

EQUIPMENT: (One time costs) \$ 7.7

Telephone line and equipment	.6
DP/WP Computer terminal	2.2
Desk	.7
Chair	.2
Calculator	.2
File Cabinet	.6
Typewriter	.7
Workstation/modular furniture	2.5

REVENUES: The revenues shown for each year are based on fees to be charged for prelicensing education, continuing education, and recertification.

FY 91: Prelicensing -

25 offerings of the 20-hour prelicensing course	
20 hours x \$15 x 25	\$ 7,500
40 instructors @ \$250 for initial certification	
40 x \$250	10,000
10 offerings of the 15-hour broker course	
15 hours x \$15 x 10	<u>2,250</u>
FY 91 TOTAL:	<u>\$19,750</u>

FY 92: Prelicensing -

13 offerings of the 20-hour prelicensing course	
20 hours x \$15 x 13	\$ 3,900
20 instructors @ \$250 for initial certification	
20 x \$250	5,000
5 offerings of the 15-hour broker course	
15 hours x \$15 x 5	<u>1,100</u>
Subtotal:	\$10,000
25 offerings of the 20-hour continuing education course	
20 hours x \$15 x 25	<u>\$ 7,500</u>
FY 92 TOTAL:	<u>\$17,500</u>

FY 93: Prelicensing -

13 offerings of the 20-hour prelicensing course	
20 hours x \$15 x 13	\$ 3,900
20 instructors @ \$250 for initial certification	
20 x \$250	5,000
5 offerings of the 15-hour broker course	
15 hours x \$15 x 5	<u>1,100</u>
Subtotal:	\$10,000

Recertification:

25 offerings of the 20-hour prelicensing course	
20 hours x \$10 x 25	\$ 5,000
40 instructors @ \$50 for recertification	
40 x \$50	2,000
10 offerings of the 15-hour broker course	
15 hours x \$10 x 10	<u>1,500</u>
Subtotal:	\$ 8,500
FY 93 TOTAL:	<u>\$18,500</u>

FY 94: Prelicensing -

13 offerings of the 20-hour prelicensing course	
20 hours x \$15 x 13	\$ 3,900
20 instructors @ \$250 for initial certification	
20 x \$250	5,000
5 offerings of the 15-hour broker course	
15 hours x \$15 x 5	<u>1,100</u>
Subtotal:	\$10,000

Recertification:

13 offerings of the 20-hour prelicensing course	
20 hours x \$10 x 13	\$ 2,600
20 instructors @ \$50 for recertification	
20 x \$50	5,000
5 offerings of the 15-hour broker course	
15 hours x \$10 x 5	<u>750</u>
Subtotal:	\$ 8,350
25 offerings of the 20-hour continuing education course	
20 hours x \$10 x 25	<u>\$ 5,000</u>
FY 94 TOTAL:	<u>\$23,350</u>

FY 95: Prelicensing -

13 offerings of the 20-hour prelicensing course	
20 hours x \$15 x 13	\$ 3,900
20 instructors @ \$250 for initial certification	
20 x \$250	5,000
5 offerings of the 15-hour broker course	
15 hours x \$15 x 5	<u>1,100</u>
Subtotal:	\$10,000

Recertification:

38 offerings of the 20-hour prelicensing course	
20 hours x \$10 x 38	\$ 7,600
60 instructors @ \$50 for recertification	
60 x \$50	3,000
15 offerings of the 15-hour broker course	
15 hours x \$10 x 15	<u>2,250</u>
Subtotal:	\$12,850
FY 95 TOTAL:	<u>\$22,850</u>

FY 96: Prelicensing -

13 offerings of the 20-hour prelicensing course	
20 hours x \$15 x 13	\$ 3,900
20 instructors @ \$250 for initial certification	
20 x \$250	5,000
5 offerings of the 15-hour broker course	
15 hours x \$15 x 5	<u>1,100</u>
Subtotal:	\$10,000

Recertification:

40 offerings of the 20-hour prelicensing course	
20 hours x \$10 x 40	\$ 8,000
60 instructors @ \$50 for recertification	
60 x \$50	3,000
15 offerings of the 15-hour broker course	
15 hours x \$10 x 15	<u>2,250</u>
Subtotal:	\$13,250
15 offerings of the 20-hour continuing education course	
20 hours x \$10 x 15	\$ 3,000
FY 96 TOTAL:	<u>\$26,250</u>

STATE OF ALASKA
THE LEGISLATURE

POUCH Y STATE CAPITOL
JUPHEAU ALASKA 99811
907 465-3800

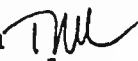
LEGISLATIVE AFFAIRS AGENCY

M E M O R A N D U M

February 5, 1990

SUBJECT: Sectional Summary
(SSSB 288)

TO: Senator Arliss Sturgulewski

FROM: Terri Lauterbach 
Legislative Counsel

Following is a brief sectional summary of SSSB 288:

Sec. 1. Clarifies the authority of the Real Estate Commission to adopt regulations.

Sec. 2. Establishes various education and continuing education requirements for licensure in real estate occupations. As noted in secs. 8 - 11 of the bill, subsection (b) would take effect January 1991, subsection (c) would take effect July 1991, subsection (d) would take effect January 1992, and subsection (d) would take effect immediately.

Sec. 3. Pertains to real estate broker licensing.

Sec. 4. Pertains to associate broker licensing.

Sec. 5. Pertains to real estate salesman licensing.

Sec. 6. Changes requirements for converting licenses from inactive to active status.

Sec. 7. Repeals a section relating to licensure of persons who were licensed in another jurisdiction. AS 08.88.263, which is not repealed, offers an avenue for licensure of persons licensed in other jurisdictions.

Secs. 8 - 11. Effective dates.

Please let me know if you have further specific questions about the bill.

TL:mi
wkmi6/039



ALASKA ASSOCIATION OF REALTORS, INC.[®]
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-563-7133

January 17, 1990

Senator Arliss Sturgulewski
P.O. Box V (MS 3100)
Juneau, AK 99811

Attn: Frank Homan

Re: SB 288

Dear Mr. Homan:

During the past several years, members of the Alaska Association of Realtors[®] have been studying the question of mandatory pre-licensing education and mandatory continuing education requirements for real estate licensees. These members have served on several task forces in cooperation with the Alaska Real Estate Commission and special study groups as part of AAR's Legislative Committee. The conclusions of these studies have resulted in our recommending legislation to require both pre-license and continuing education for all real estate licensees in Alaska.

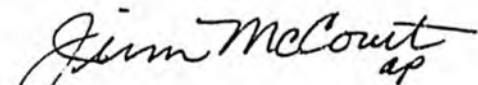
The rationale for these conclusions is, first, Alaska is the only state which has no education requirements. Second, consumers have the right to expect a high degree of knowledge from those who advise them on (in some cases) the largest investment they may make during their lifetime. Third, the field of real estate is constantly changing with its multitude of financing and tax implications. It is imperative that real estate practitioners remain current on taxes, financing, zoning, equal housing laws, hazardous waste, and a myriad of topics to best advise their clients and customers.



January 17, 1990
Page Two

For these reasons, the Alaska Association of Realtors® urges passage of SB 288 during this legislative session. AAR stands ready to testify in support of this bill.

Sincerely,

A handwritten signature in cursive script that reads "Jim McCourt" with a small "ap" written below the name.

Jim McCourt
President



ALASKA ASSOCIATION OF REALTORS, INC.
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-563-7133

January 12, 1990

Senator Arliss Sturgulewski
P.O. Box V
Juneau, AK 99811

Attn: Frank M. Homan

Re: S.B. 288

Dear Senator:

The enclosed background paper and attachments are by way of information in reference to S.B. 288. The background paper is a brief statement describing the rationale for the bill's introduction and the goals it would accomplish. The attachment is the most recent NARELLO report on real estate relicensing and continuing education requirements throughout the U.S. and Canada.

If I can be of further assistance, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads 'Dea Turner'.

Dea Turner
Executive Vice President

Attachment

cc: Joe Hayes



Every other licensing jurisdiction in the US and Canada requires either pre-licensing or continuing education. Many require both. Only four other states have no pre-licensing educational requirements and only 10 other states have no continuing educational requirements. Pre-licensing requirements average 58 hrs; continuing average 25 hours/2-year licensing period.

Although SB288 is not modeled after any other state's legislation, the statutory requirements of other jurisdictions were reviewed. This legislation was drafted in an attempt to amend Alaska's real estate license law (AS 08.88) to provide a higher level of competency and professionalism for present and future licensees in Alaska. In turn, this will enhance the degree of public protection and service available to consumers.

The increasing complexity of real estate transactions requires that this greater degree of competency and skill be attained in order to adequately protect the public.

Requiring minimum educational hours prior to licensure helps to protect consumers from suffering because of the inexperience of new licensees.

Requiring continuing education is a means of ensuring that all licensees have periodic update on current real estate laws and practices each renewal period.

AS 08.88.

Section 261 repeal:

As it now exists, Section 261 is operative only when there are reciprocal agreements with other states.

No other state has been willing to sign an agreement with Alaska because of the absence of educational requirements.

Section 263 allows the Commission to recognize the license and experience of a person coming from another state and to also ensure that they are familiar with Alaska's license law before issuing them an Alaska license.

Among states that do have reciprocal agreements, the agreement itself usually contains a clause that requires the applicant to demonstrate familiarity with the state's license law by passing that portion of the examination.

Assuming SB288 passes and the educational requirements become necessary, it is anticipated that the requirement to pass the state portion of the Alaska exam would remain.

To have both sections 261 and 263 in their present form is confusing to both present and potential licensees. Since Section 263 is the only operative section currently, and would continue to be satisfactory with the passage of the remainder of SB288, the recommendation is to repeal Section 261.

Barbara Craig Realty

(Formerly Barbara Jaye Realty)

P.O. Box 02-0422

Juneau Alaska 99802

(907) 586-9091

February 10, 1990

Ref: Senate Bill 288

Dear Senator Sturgulewski;

I am opposed to Senate Bill 288 for the following reasons:

1. If the bill passes it will result in creating more government jobs . Do you really think the VOTERS want to elect a governor who is promoting bills that create more state government jobs and bills to further regulate our lives? I do not want to pay for more government employees who will only whine five years from now when they get laid off because we have run out of oil money. And if someone says the real estate industry will pay for more staff with their licensing fee--I am opposed to paying more for licensing. Licensing fees are only another name for taxes or extracting money from the private sector to pay for jobs of non productive government paper pushers. We have far more government employees per capita than another other state--the situation here is totally out of hand! If the legislature does not act responsibly in cutting back the number of government employees drastically and now, then I think there will be such great turmoil in this state when we run out of oil money that it will make the years 1986-87 look like a picnic. You are responsible for promoting bills that solve problems now and for Alaska's future--but creating more unnecessary state jobs is a problem now and for Alaska's future. By sponsoring bills like this YOU are part of the problem--not solution.

2. If those currently licensed are not presently competent or the test is not adequate, then I am not against changing the test or requiring more education or proven ability through past experience to get licensed initially as a sales person or broker. What I am opposed to is requiring all agents who want to renew licenses get some sort of continuing education . I do not want some state employee to tell me what type of education they think is best for my business or type of real estate I handle. This type of mentality treats real estate professionals as second class business people. Alaskans don't need to be protected " for their own good" by some bureaucrat "big brother"--the citizens of Alaska need to be protected from: government interference and regulation, and "government employeeism"--the cancers that are gobbling away at private sector economic development. In addition, the rationale presented for such across the board recommendations is not well thought through and only serves to illustrate the attitude that government employees have for procreating more state jobs and spending more money in an effort to try to solve a non-existing problem. Following are examples of irrational materials presented supporting passage of the bill:

a) "A minimum number of continuing education hours for licensed salespersons and brokers in order to ensure licenses are keeping up-to-date on important industry changes" (Dept. of Commerce & Economic Development Position Paper-p 1) If a person in the sales business does not keep up to date automatically on market changes they will be out of a job in short order. The position paper does not give credit to those who have been in business successfully. If someone can not keep up with the changing market and industry then lets not spoon feed them to keep them in business. The private sector will automatically weed out those who do not keep up with the time. To assume that a government employee knows more than those who are successfully earning a living in a private sector industry by letting that government employee decide what type of continuing education is pertinent to that business, takes on the typical mentality of most bureaucrats which is " I know what is best for you". Since when did the Real Estate Commission or Dept. of Commerce and Economic Development become experts in the dynamics of education and become more intuned to my business to know what I need to become more wise in my business? If some bureaucrat thinks they know what is best for my business or knows more about my business, then why aren't they busy in the industry making money like me? I don't need any big brothers telling me what I need to be educated on. And if I make the wrong decision by not keeping up to date with market conditions then I alone should be responsible for not being successful in my line of business.

b) "The increasing complexity of real estate transactions requires that a greater degree of competency and skill be attained in order to adequately protect the public" (Dept.of Commerce and Economic Dev. Position Paper page 2) Things are always as simple or complex as anyone wants to make them. I have been in the real estate industry over six years and things do not seem to be getting anymore complex to me. As I get more experience I automatically accumulate more information which makes my skill level greater. Greater COMPETENCY comes with more hands on experience. The same level of complexity has always been there. And the more experience a business person has in any area the more valuable they automatically become to themselves as well as those who pay for their services. AND, It is not logical to assume that the public in some way is not being adequately protected already by the current level competency of people working in the field now. Where are your figures to prove that the profession is not adequately being responsible to the public or is not competent?? Everything in life is always in a state of change and this holds true for the real estate industry as in all industries. For example, one change that has taken place over the last several years in the Juneau market is that transactions involving the selling of many repossessed homes involve more paperwork and persons participating in the paperwork-- but there sure does not seem to be anything difficult in adapting to letting the public know that everything in that particular market takes more time and paperwork. The additional time and paperwork involved in selling many repos over non-repo properties surely can not be the fault of the real estate industry. And if as a business person, I feel selling one particular type of property isn't worth the effort then I don't need to deal in that type of product. I don't bother selling AHFC repos and try to stay away from FDIC repos. The time involved in dealing with their overly bureaucratic system isn't worth the money to me--it takes too long to get paid such a

small amount in most cases. If another real estate professional wants to deal with that type of property then let them. The problem with those type of properties isn't with the real estate professional --it's with the SELLER which in this particular case is a bureaucratic government agency. If a real estate agent or broker chooses freely to deal in those types of sellers or properties then it is in the end that brokers responsibility to do the job correctly. The broker is the private sector individual who freely chooses to deal in any particular type of product and should be responsible for their success and/or failure in their business decisions. If they do not handle selling that type of property or any other type of property correctly then there is already a system in place to protect the public. The system isn't getting more complex--it is the same as it has always been--always in a state of flux.

c) "Requiring additional training focused on office supervisory responsibilities and trust account management prior to being licensed as a broker or associate broker will address the most common causes for complaints received by the division against real estate brokers" (Dept. of Commerce and Economic Dev. Position Paper page 2) It would seem logical to require some sort of skill level in dealing with trust accounts prior to licensing a broker or associate broker but, if they don't know how to add or subtract numbers then don't give them a license. If the current test is deficient in some way perhaps the state should change the test by adding some sort of special trust account section. In addition, requiring some sort of supervisory training is not necessarily pertinent to everyone. Some companies don't have or want staff or agents to supervise--why should they take supervisory training. Some people already have the ability to supervise. And even if a person were given supervisory training it does not mean they will be able to absorb and/or apply any of the information given to them. If a broker is not any good in supervising their staff then they will naturally not earn as much money as other companies, if their business tries to earn money through efforts of agents, nor keep good staff, and perhaps be washed by the wayside in the business world. If a broker is doing something seriously wrong then there are already the statutes in place to protect the public. The real estate regulating body does not need to try to be the judge of what will make a real estate business more successful by demanding education in supervisory responsibility skills or specific education on how to add and subtract numbers in books --I think I learned how to add and subtract in first grade. Neither is it the job description of the real estate regulating body to tell the industry how to be successful in a private sector sales and service business.

d) "Finally, requiring continuing education during each biennial licensing period should assist in ensuring that all real estate professionals are periodically updated on current real estate laws and practices" (Dept. of Commerce and Economic Development Position Paper page 2) Again illogical! If there is a change in state statute pertaining to the real estate laws then all the state real estate office needs to do is send out the changes to each agent and broker. That should be one basic service provided already. And who will tell me what are the updated real estate practices--if I'm not already doing them then I'm not an efficient organized astute business person. The buyers and sellers let you know what are the updated practices and automatically

ask you the questions you need to find answers to--and they set the market standard. You can't get much more consumer oriented than that. And if there are changes in federal laws let the state real estate office send out copies of those too. I don't need to pay someone to read a piece of paper to me in some seminar--I learned how to read in grade school.

e) "Third, the field of real estate is constantly changing with its multitude of financing and tax implications. It is imperative that real estate practitioners remain current on taxes, financing, zoning, equal housing laws, hazardous waste and a myriad of topics to best advise their clients and customers." Letter to Arliss Sturgulewski Jan 17, 1990 from Jim McCourt, President of the Alaska Association of Realtors--Canned educational seminars on all the above will not keep any agent current on the above. I use my phone book and call the appropriate professional or agency when I have a question on any of the above. I don't need a \$300 seminar to answer my zoning questions here in Juneau--I just call the City. If I don't know something about a particular type of financing I call a lender--that's their area of expertise. If a client asks me about tax implications, I suggest they talk with their accountant--that is another profession entirely. If I were to try to become an expert, through canned education programs, in all the fields the President of the Alaskan Association of Realtors suggests, then I would probably make mistakes and get sued. His good advise isn't by my standards a healthy path to follow. The constantly changing world is not a logical reason to have to take canned educational sessions which always seem too watered down and not useful for me. And if a broker thinks one of his agents needs more education, it is that brokers responsibility to correct the situation or be responsible for the consequences of an agent lacking ability in some area.

Who will really profit from passage of the proposed bill as currently written under the guise of "public protection" : the racket the state government employees have going and the National and Alaskan Association of Realtors. We don't need more state employees. We need less state employees. And the National and Alaskan Association of Realtors is the organization who will, if this bill passes, force me to have to pay them money in their effort to make me more wise and more moral under their slogan of "for the good of the public". I think my parents already taught me how to be moral and know the difference between right and wrong by the age of 10. And, I think the public is already wise enough--if you don't like how someone does business you don't have to use their services--the public doesn't need any big brother government helping them think. If someone does wrong to a consumer in their business, then there is already the protection net in place. This bill does not give the average consumer credit for being a thinking responsible person, even though the public does have many other important rights they are trusted with--right to vote, right to freedom of speech, right to free association. Neither myself or the public are second class citizens--I don't want anymore big brother protection. I want protection from government regulations taking away my rights! The people who will smile all the way to the bank in this case is the National and Alaskan Association of Realtors. They will be providing the canned goods to the real estate industry, spoon feeding at their monopolistic prices creating a monopoly in the industry. I RESENT their attempt to

force me to join their glee club, which will happen if I am forced to participate in their "education" system. If I thought they already had something to offer me of value I would inquire or join. Isn't that what private sector--free market is all about. But since their product isn't considered by me and obviously others to be of value as presented through the free market approach, they must try to go through the back door and force me to participate through their using State Government (Dept. of Commerce and Economic Dev.) to promote their cause and lobbying efforts. Maybe I should ring up the Commission and see if he can lobby for me on some issue. I must admit I did attend several of the Realtors Association classes but have found them so remedial and so boring it about makes one want to throw up. If you don't believe me try one of their classes yourself! For the type of real estate I deal with I get more out of talking with Dept. of Nat. Resources, Fish and Game, DEC, the City, reading business publications, books and newspapers, talking with my peers in the industry and the CONSUMERS then I've ever got from one of their remedial classes. Lets face it-- you can only learn how to fill out listing forms, earnest money agreements and go to "motivational or goal setting" seminars so often before you learn that type of material. If a business person in the real estate industry does not know how to learn from the market then they are in the wrong business. Besides I just called the local head of the education committee for the Alaska Association of Realtors--we don't even have any classes available here anyway and he said he doesn't even have any idea what educational materials are available statewide. If they aren't even providing a product here and now or to smaller communities then how can they try to say they know that more education is the answer to all their special interest/ real estate industry concerns? The classes if they ever sponsor any in Southeast may provide useful information for some people but currently I have not seen anything pertinent to me or classes helping me make more money or helping me to be a better business person.

Just because Alaska does not have the educational requirements of other states does not mean we are doing something wrong. I would not object to seeing some sort of experience or competency required initially for licensing but the on going education portion is not necessary. But if it is felt that the people passing the test are in some way not competent, then change the test. Additionally, there is not any guarantee we will have or want any reciprocal agreements with any other states if we even did have some sort of "educational requirements". If reciprocal agreements are so important in this industry then why don't we have reciprocal agreements with the four other states that currently have no pre-licensing educational requirements or the 10 other states that have no continuing educational requirements? Alaska is a very different place from any other state--I would think it would be a great risk to try to think I could just jump into the same level, say for example in Washington State as compared to here. Regardless if we had a reciprocal agreement, lets say for example with Washington, it would still take years to gain the same level of competency in that totally different environment. And if there is concern about people who are not competent getting licenses in this state then why even encourage reciprocal agreements in the first place--why not make them pass all tests same as any Alaskan in order to be sure of

their level of competency.

The bill further restricts the private citizen by trying to give the real estate governing agency latitude in deciding who is entitled to be a member of the industry. The way it is written now seems to be just fine--it's currently clear and objective. I haven't heard anything about why they think they need more discretionary judgement rights on who can or who can not receive a license anyway. Here again the bill is chipping away at the rights and strengths of the private sector and public and free market system. I'm not interested in giving any government agency more authority to meddle in my life and business. There is already a list of requirements established objectively outlining what is needed to receive a license. There should not be any need for discretionary authority if the list is clear and objective. If the list is not clear and objective or needs to be changed to make it current with the times, then change the list so that it is clearly understood by the public and pertinent to life today in the State of Alaska.

I resent the bills way of treating me a member of the public like I don't have enough sense to make my own business decisions and downgrading the group of professionals in the real estate industry who at this time show no record of being incompetent. As a member of the public and real estate industry I want protection from further government regulation , protection from special interest groups like the Association of Realtors trying to join forces with Government Agencies (Dept. of Commerce and Economic Dev. and state mandated real estate office staff) trying to force my hard earned money out of my own pocket book. I want protection from those who try to downgrade my business to a second class status like this bill is trying to do. I want protection from those who try to add more state employees while at the same time taking away basic decision making freedoms from the public. I'm tired of public servants (government agencies in this case Dept. of Commerce and Economic Development and state mandated real estate office) trying to gang up against the private sector and lobby against the freedoms of the public. Public servants get paid to dream up these causes in order to really further protect they own skins under the guise of big brother to the public while at the same time lobbying for the National Real Estate Association. No one is paying me to take the time to write this document-- it's my own nickle and my own time. And I made that nickle through my own efforts and through hard work and competency.

This bill is ridiculous--it takes on the mentality of trying to fix something that isn't broken and tries to convict the real estate industry of something they COULD POSSIBLY do wrong in the future when there currently is no evidence of any incompetency in the industry now. If this bill were a case in court the judge would kick it out for lack of evidence.

Sincerely,

Barbara Craig

Barbara Anne Craig
Owner / Broker
P.O. Box 02-0422
Juneau, Alaska 99802

work: 586-9091
home: 364-2818

cc: Senate Labor & Commerce:
Dick Eliason
Pat Rodey
Jan Faiks
J. Kerttula
Jack Coghill

Rep. Bill Hudson



ALASKA ASSOCIATION OF REALTORS, INC?
741 Sesame Street, Suite 100 • Anchorage, Alaska 99503
Telephone 907-583-7133

EDUCATION CALENDAR, 1990

- Jan. 12 HP-12C Advanced Course
- Jan. 15-20 CI 103: Advanced Real Estate Taxation and Marketing
Tools for Investment Real Estate
- Jan. 24-25 Instructor Development Workshop
- March 8-9 RS 201: Listing Strategies for the Residential Specialist
- April 30-May 4 GRI II, Anchorage
- Oct. 11-12 RS 203: Personal and Career Management for the
Residential Specialist

NARELLO
EDUCATION AND STANDARDS COMMITTEE

1989 ANNUAL REPORT
ON
REAL ESTATE
PRELICENSING/CONTINUING EDUCATION
REQUIREMENTS AND STANDARDS

The NARELLO Education and Standards Committee prepares a comprehensive annual report based on a survey of its member jurisdictions on the subject of real estate prelicensing/continuing education requirements and standards. The primary purpose of the report is to provide member jurisdictions and others interested in real estate education with helpful information on this subject. The report also contains information regarding the transferability of prelicensing and continuing education as well as certain other general information regarding the jurisdictions' education programs.

This report, which is divided into five parts (see Table of Contents), is a compilation of data collected by survey during August-September, 1989 from the various jurisdictions. Responses to the 1989 survey were obtained from 56 of NARELLO's 60 member jurisdictions. Jurisdictions are listed alphabetically in each part of the report.

Persons desiring more specific information about the education programs, requirements and/or standards of a particular jurisdiction should contact the real estate licensing agency in that jurisdiction.

Larry Outlaw
1988-89 Chairman
NARELLO Education and
Standards Committee
October 7, 1989

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PART I - PRELICENSING EDUCATION/EXPERIENCE REQUIREMENTS	2-9
Reports each jurisdiction's basic prelicensing requirements; states when prelicensing courses must be completed; indicates how experience as a salesperson, if required for broker applicants, is verified; indicates whether or not the basic prelicensing requirements are waivable based on "equivalent" education/experience.	
PART II - PRELICENSING EDUCATION STANDARDS	10-13
Reports the basic standards used (or not used) by each jurisdiction when approving prelicensing courses.	
PART III - CONTINUING EDUCATION REQUIREMENTS AND STANDARDS	14-19
Reports each jurisdiction's basic continuing education requirement, if any, and the basic standards used (or not used) when approving continuing education courses.	
PART IV - TRANSFERABILITY OF PRELICENSING AND CONTINUING EDUCATION	20-23
Reports whether or not a jurisdiction will recognize comparable prelicensing and continuing education courses taken in another jurisdiction and approved by the other jurisdiction.	
PART V - OTHER EDUCATION INFORMATION	24-26
Reports whether or not a jurisdiction has an Education Director, uses an education advisory committee, has an education/research fund, or funds a real estate research center.	

USERS GUIDE

1. Identify the part containing the desired information from the "Table of Contents".
2. Read the "Notes and Comments" at the beginning of each part.
3. Refer to the "Key to Abbreviations" to understand abbreviations used in the charts.

KEY TO ABBREVIATIONS

The following abbreviations are used in the survey report.

add.....addition	eval.....evaluation(s)	prev.....previous
add'l.....additional	exc.....except	prof.....professional
adm.....administration	exp.....experience	prop.....proprietary
adv.....advisory	ff.....following	qtr.....quarter
aft.....after	F-T.....full-time	RE.....real estate
app.....application	gen.....general	recoog.....recognize
appl.....applicant	hr(s).....hour(s)	reqd.....required
appr.....approve(d)	ind.....independent	reqt.....requirement
assoc.....associate	inst.....instructor	resear.....research
assn.....association	instl.....instructional	rev.....review
att.....attendance	iss.....issuance	SP.....salesperson
bef.....before	juris.....jurisdiction	sch.....school
BR.....broker	lgth.....length	sem.....semester
cert.....certified	liais.....liaison	std(s).....standard(s)
cls.....class(es)	lic.....license	stud.....student
coll.....college	licea.....licensee	sup.....supervising
Comm.....Commission/ committee	matls.....materials	temp.....temporary
comp.....comparable	max.....maximum	trans.....transaction(s)
CE.....continuing education	min.....minimum	univ.....university
corr.....correspondence	mon.....monitor	yr(s).....year(s)
crs.....course(s)	NA.....not applicable	waiv.....waivable
cred.....credit	NR.....no response	w/in.....within
dep.....depending	occ.....occasionally	
desig.....designated	outl.....outline(s)	
ED.....Education Director	PL.....prelicensing	
eff.....effective	P-T.....part-time	
	perf.....performance	
	perm.....permanent	
	presc.....prescribed	

PART 1 - PRELICENSING EDUCATION/EXPERIENCE REQUIREMENTS

Part I reports the real estate prelicensing (PL) education and experience requirements of the NARELLO member jurisdictions. Refer to the "Key to Abbreviations" page for further assistance in understanding the reported information.

NOTES AND COMMENTS

1. The salesperson and broker prelicensing education requirements shown are stated in terms of classroom or clock hours. The broker education requirements shown are IN ADDITION TO the indicated salesperson education requirements.
2. If a jurisdiction has a one-time POST-licensing education requirement (or a post-licensing requirement that ends after 2 or 3 years), such requirement is shown parenthetically (e.g., see Arizona, Arkansas and California).
3. If a jurisdiction has a time limit on the recognition of prelicensing courses, this is also indicated (e.g., see Alabama). If no time limit is indicated, then the jurisdiction will recognize such courses for an indefinite period (e.g., see Colorado).
4. The report indicates any requirement for broker applicants with regard to experience as a licensed salesperson and shows the time frame, if any, within which such experience must have been obtained.
5. The "Courses must be completed" column indicates the point in the application/licensing process when the applicant must have completed any qualifying prelicensing course(s).
5. The report also indicates the method employed by the licensing agency, where applicable, to verify any experience as a salesperson claimed by a broker applicant.
7. The last two columns indicate whether or not the licensing agency can "waive" the basic education and/or experience requirement for RESIDENT license applicants based on other "equivalent" education and/or experience. (See Part IV for information on the "transferability" of education among jurisdictions.)

PRELICENSING EDUCATION/EXPERIENCE REQUIREMENTS

Jurisdiction	Salesperson Education Requirements	Broker Requirements			Courses must be completed	Exp. as SP for BR appls. verified by	Educ. waiv.	Exp. as wa.
		Education (in add. to SP educ. reqt.)	and /or	Experience as SP				
Alabama	45 hrs. w/in past 2 yrs.	225 hrs.	or	2 yrs. w/in past 3 yrs.	bef. exam adm.	licensure as SP only	Yes	Yes
Alaska	None	None	NA	2 yrs. w/in past 4 yrs.	NA	sup. BR	NA	No
Alberta	Home Study Program	Home Study Program	NA	None	bef. exam app.	NA	NA	NA
Arizona	90 hrs. PL (+ 6 hrs w/in 90 days aft. licensure)	90 hrs.	and	3 yrs. w/in past 5 yrs.	before exam app.	sup. BR & list of trans.	Yes	Yes
Arkansas	None (but 30 hrs. reqd. w/in 1 yr. aft. licensure)	None	and	2 yrs.	BR-bef. exam app.	licensure as SP only	No	No
British Columbia	137 hrs. w/in past 1 yr.	194 hrs. w/in past 5 yrs.	and	2 yrs. w/in past 5 yrs.	bef. exam app.	licensure as SP only	No	Yes
California	45 hrs. PL (+ 90 hrs. w/in 18 mos. aft. licensure in desig. RE & some related crs.)	225 hrs. in desig. RE & some related crs.	and	2 yrs. w/in past 5 yrs.	bef. exam app.	sup. BR	No	Yes
Colorado	72 hrs.	48 hrs.	and	2 yrs.	bef. lic. app.	licensure as SP only	Yes	Yes
Connecticut	30 hrs.	60 hrs.	and	2 yrs.	bef. exam app.	licensure as SP only	Yes	Yes
Delaware	93 hrs. w/in past 1 yr.	75 hrs. w/in past 1 yr.	and	5 yrs.	bef. exam app.	sup. BR & list of trans.	Yes	Yes
District of Columbia	45 hrs. w/in past 6 mos.	135 hrs. w/in past 6 mos.	and	2 yrs. w/in past 2 yrs.	bef. exam app.	licensure as SP only	Yes	Yes

PRELICENSING EDUCATION/EXPERIENCE REQUIREMENTS

Jurisdiction	Salesperson Education Requirements	Broker Requirements			Courses must be completed	Exp. as SP for BR appls. verified by	Educ. w/av. (Coll. cred. only)	Exp. as w/av.
		Education (in add. to SP educ. reqt.)	and /or	Experience as SP				
Florida	63 hrs. PL w/in past 2 yrs. (+45 hrs. w/in 2 yrs. aft. licensure)	72 hrs. PL w/in past 2 yrs. (+60 hrs. w/in 2 yrs. aft. licensure)	and	1 yr. w/in past 5 yrs.	bef. exam adm.	licensure as SP only	Yes (Coll. cred. only)	No
Georgia	60 hrs.	60 hrs.	and	3 yrs.	bef. exam adm. (for most crs.)	licensure as SP only	Yes	Yes
Guam	None	4 yr. coll. degree (no major specified)	or	2 yrs.	bef. lic. iss.	licensure as SP only	Yes	Yes
Hawaii	40 hrs. w/in past 2 yrs.	46 hrs. w/in past 2 yrs.	and	2 yrs.	bef. exam adm.	Sup. BR, list of trans. & RE Comm. rec.	Yes	Yes
Idaho	90 hrs. w/in past 5 yrs.	90 hrs. w/in past 5 yrs.	and	2 yrs. w/in past 5 yrs.	bef. lic. app.	sup. BR	Yes	Yes (in part)
Illinois	30 hrs.	90 hrs.	and	1 yr. w/in past 3 yrs.	bef. exam adm.	sup. BR	Yes (Coll. cred. only)	No
Indiana	40 hrs.	24 hrs.	and	1 yr.	bef. exam app.	RE Comm. records	Yes	Yes
Iowa	30 hrs. w/in past 1 yr.	60 hrs. w/in past 2 yrs.	and	2 yrs.	bef. exam adm.	active licensure as SP only	Yes	Yes
Kansas	30 hrs. PL w/in past 1 yr. (+50 hrs. bef. first lic. renewal)	24 hrs. w/in past 1 yr.	and	2 yrs. w/in past 5 yrs.	bef. exam app.	applicant	No	Yes

PRELICENSING EDUCATION/EXPERIENCE REQUIREMENTS

Jurisdiction	Salesperson Education Requirements	Broker Requirements			Courses must be completed	Exp. as SP for BR appla. verified by	Educ. waiv.	Exp. as waiv.
		Education (in add. to SP educ. reqt.)	and /or	Experience as SP				
Kentucky	96 hrs.	96 hrs. in RE +144 hrs. in "electives"	and	2 yrs.	bef. exam adm.	sup. BR	No	No
Louisiana	90 hrs.	150 hrs.	and	2 yrs.	bef. exam app.	licensure as SP only	No	No
Maine	33 hrs. w/in past 1 yr. (SP lic. only valid for 2 yrs.)	Assoc. BR: 84 hrs. w/in past 1 yr. - BR: add'l. 45 hrs. w/in past 1 yr.	and	Assoc. BR: 2 yrs - BR: add'l. 1 yr. w/in past 1 yr.	SP & BR: bef. lic. app. - Assoc. BR: bef. exam app.	Sup. BR & list of trans.	Yes	Yes
Maryland	45 hrs. w/in past 10 yrs.	135 hrs. w/in past 10 yrs.	and	3 yrs.	bef. exam app.	licensure as SP only	Yes	Yes
Massachusetts	24 hrs. w/in past 2 yrs.	30 hrs. w/in past 2 yrs.	and	1 yr. w/in past 1 yr.	bef. exam app.	sup. BR	No	No
Michigan	40 hrs.	90 hrs.	and	3 yrs.	bef. lic.	sup. BR	No	Yes
Minnesota	90 hrs. (30 w/in past 1 yr.; 60 w/in past 2 yrs.)	30 hrs.	and	2 yrs.	30 hrs. bef. exam adm. - rest bef. lic. app.	licensure as SP only	Yes (in part)	Yes
Mississippi	60 hrs.	120 hrs. (150 hrs. w/no exp. as SP)	and	1 yr. w/in past 1 yr (waiv. w/30 add'l. hrs. of BR educ.)	bef. exam app.	RE Comm. records	No	No
Missouri	60 hrs. w/in past 6 mos.	80 hrs. w/in past 6 mos.	or	1 yr. w/in past 1 yr.	bef. exam adm.	licensure as SP only	Yes	Yes

PRELICENSING EDUCATION/EXPERIENCE REQUIREMENTS

Jurisdiction	Salesperson Education Requirements	Broker Requirements			Courses must be completed	Exp. as SP for BR appls. verified by	Educ. waiv.	Ex. as wa
		Education (in add. to SP educ. reqt.)	and /or	Experience as SP				
Montana	60 hrs. w/in past 1 yr.	60 hrs. w/in past 1 yr.	and	2 yrs. w/in past 2 yrs.	bef. lic. app.	sup. BR	No	Yes
Nebraska	60 hrs.	60 hrs.	and	2 yrs. (waiv. if appl. has add'l. 60 hrs. of BR educ.)	bef. exam adm.	sup. BR & list of trans.	No	No
Nevada	90 hrs.	270 hrs. in desig. RE and some related crs. + 600 hrs. in gen. coll. crs.	and	2 yrs. w/in past 4 yrs.	bef. lic. app.	Sup. BR	No	No
New Brunswick	Home Study Program or Course	Home Study Program	and	2 yrs. w/in past 5 yrs.	NA	licensure as SP only	No	Yes
New Hampshire	None	None	NA	1 yr. w/in past 10 yrs.	NA	sup. BR	NA	Yes
New Jersey	75 hrs. w/in past 1 yr.	90 hrs. w/in past 1 yr.	and	2 yrs. w/in past 2 yrs.	before exam app.	sup. BR & list of trans.	Yes (BR only)	Yes
New Mexico	60 hrs.	30 hrs.	and	2 yrs. w/in past 3 yrs. (waiv. if appl. has add'l. 90 hrs. of BR educ.)	before exam adm.	sup. BR	Yes (BR only)	Yes
New York	45 hrs.	45 hrs.	and	1 yr.	before lic. app.	sup. BR & list of trans.	Yes	Yes
North Carolina	30 hrs. w/in past 5 yrs.	90 hrs. w/in past 5 yrs.	or	2 yrs. w/in past 5 yrs.	before exam app.	sup. BR & RE Comm. records	Yes	Yes

PRELICENSING EDUCATION/EXPERIENCE REQUIREMENTS

Jurisdiction	Salesperson Education Requirements	Broker Requirements			Courses must be completed	Exp. as SP for BR appls. verified by	Educ. waiv.	Exp. as waiv.
		Education (in add. to SP educ. reqt.)	and /or	Experience as SP				
North Dakota	None (but 30 hrs. reqd. aft. licensure)	90 hrs.	and	2 yrs.	bef. lic. app.	sup. BR & list of trans.	No	Yes
Nova Scotia (1988 Survey)	Home Study Program	Home Study Program	NA	2 yrs. w/in past 3 yrs.	NA	Licensure as SP only	NA	Yes
Ohio	120 hrs. in coll. cred. crs. w/in past 10 yrs. (+10 hrs. w/in 1 yr. after licensure)	Varies from "None" to current 240 hrs. in coll. crd. crs. plus 2 yrs. of coll. (dep. on date of licensure as SP)	and	2 yrs. w/in past 5 yrs.	bef. exam app.	sup. BR & list of trans.	No	No
Oklahoma	45 hrs.	45 hrs.	and	1 yr. w/in past 5 yrs.	bef. exam app.	licensure as SP only	Yes	Yes
Ontario (1987 survey)	150 hrs.	230 hrs.	and	2 yrs.	NR	NR	NR	NR
Oregon	90 hrs.	60 hrs.	and	3 yrs.	bef. lic. iss.	RE Agency records	Yes	Yes
Pennsylvania	60 hrs.	240 hrs.	and	3 yrs. (200 points on point system based on transactions)	SP: bef. exam adm. - BR: bef. exam app.	sup. BR & list of trans. & spot check investigation	No	Yes
Quebec	210 hrs.	360 hrs.	and	3 yrs.	bef. exam app.	RE Agency records	No	Yes
Rhode Island	None	90 hrs.	or	1 yr.	bef. exam app.	sup. BR	Yes	Yes

PRELICENSING EDUCATION/EXPERIENCE REQUIREMENTS

Jurisdiction	Salesperson Education Requirements	Broker Requirements			Courses must be completed	Exp. as SP for IR appls. verified by	Educ. waiv.	Exp. as waiv.
		Education (in add. to SP educ. reqt.)	and /or	Experience as SP				
Saskatchewan	Corr. crs. w/in past 2 yrs.	Corr. crs. w/in past 5 yrs.	and	2 yrs. w/in past 5 yrs.	bef. exam app.	licensure as SP only	Yes	Yes
South Carolina	Temp. SP: 30 hrs. w/in past 5 yrs. - Perm. SP: add'l. 30 hrs. w/in past 5 yrs.	30 hrs. w/in past 5 yrs. (waiv. if appl. has 5 yrs. exp. as SP)	and	3 yrs. w/in past 3 yrs.	bef. exam app.	RE Comm. records	Yes	Yes
South Dakota	30 hrs.	60 hrs.	and	2 yrs.	bef. exam app.	RE Comm. records	Yes	Yes
Tennessee	60 hrs.	60 hrs.	and	3 yrs.	bef. exam app.	sup BR & RE Comm. records	No	No
Texas	90 hrs. PL in RE crs. and 90 hrs. PL "related" crs. (+30 hrs. per yr. in RE crs. for first 3 yrs. aft. licensure)	630 hrs. in gen. coll. crs.	and	2 yrs. w/in past 3 yrs.	bef. exam app.	licensure as SP only	No	No
Utah	90 hrs. w/in past 1 yr.	120 hrs. w/in past 1 yr.	and	3 yrs.	bef. exam app.	sup. BR	Yes	Yes
Vermont (1988 survey)	None	8 hrs.	and	1 yr.	bef. lic. app.	sup. BR & list of trans.	Yes	Yes
Virginia	45 hrs.	180 hrs.	and	3 yrs. w/in past 5 yrs.	bef. exam app.	sup BR and/or others	Yes	Yes
Virgin Islands (1988 survey)	None	None	NA	1 yr.	NA	Licensure as SP only	NA	No

PRELICENSING EDUCATION/EXPERIENCE REQUIREMENTS

Jurisdiction	Salesperson Education Requirements	Broker Requirements			Courses must be completed	Exp. as SP for LR appls. verified by	Educ. waiv.	Exp. as wai
		Education (in add. to SP educ. reqt.)	and /or	Experience as SP				
Washington	30 hrs. w/in past 5 yrs.	90 hrs. w/in past 5 yrs.	and	2 yrs. w/in past 5 yrs.	bef. exam app.	sup. BR	Yes (SP only)	Yes
West Virginia	90 hrs.	90 hrs.	and	2 yrs.	bef. exam adm.	sup BR & list of trans.	No	Yes
Wisconsin	45 hrs. (w/in past 5 yrs. exc. no limit for coll. cred. crs.)	45 hrs. (w/in past 5 yrs. exc. no limit for coll. cred. crs.)	and	1 yr.	bef. lic. app.	licensure as SP only	Yes	No
Wyoming	30 hrs.	30 hrs.	and	2 yrs.	bef. lic. app.	licensure as SP only	No	No

PART II - PRELICENSING EDUCATION STANDARDS

Part II reports the primary standards regularly employed by the real estate licensing agencies in NARELLO member jurisdictions when approving and monitoring prelicensing education courses. Refer to the "Key to Abbreviations" page for further assistance in understanding the reported information.

NOTES AND COMMENTS

1. If not stated otherwise in the "Comments" column, the indicated standards employed by a jurisdiction's RE licensing agency apply to courses conducted by all types of schools approved to conduct prelicensing courses in that jurisdiction.
2. Note that "Approve Course Content" is NOT one of the standards included in this report because it is assumed that all jurisdictions with prelicensing education approve course content, and this question was not included in the survey. It is suspected that some of the jurisdictions answering "Yes" to the "Prescribe Course Outlines" question probably only approve course content based on a list of general topics included in a statute or regulation and actually do not provide any detailed course outlines which must be used by schools to teach approved courses.
3. The responses to the "Recognize Correspondence or Independent Study Courses" question (which is not actually a "standards" question) are included in this part of the report primarily for reasons of convenience.

PRELICENSING EDUCATION STANDARDS

Jurisdiction	Min. Att. Req.	Presc. Crs. Outl.	Appr. Inst.	Appr. Texts	Appr. Crs. Exams	Rev. Lic. Exam Perf. by Sch.	Mon. Cls.	Rev. Stud. Eval.	Recog. Corr. or Ind. Study Crs.	Comments
Alabama	80%	Yes	Yes	No	No	Yes	Occ.	Yes	No	
Alaska	NA									No PL educ.
Alberta	NA	Yes	No	Yes	Yes	NA	NA	Yes	Home Study	Home Study PL educ. only
Arizona	100%	Yes	Yes	Yes	No	Yes	Yes	Yes	No	
Arkansas	100%	No	No	No	No	No	No	No	Yes	
British Columbia	None	Yes	No	Yes	Yes	Yes	No	No	No	
California	87%	No	Yes*	Yes*	Yes*	No	No	No	Yes	*Coll./univ. crs. exempt from noted stds.
Colorado	100%	Yes	No	No	No	No	No	No	Yes	
Connecticut	83%	Yes	No	Yes	No	Yes	No	No	No	
Delaware	87%	Yes	Yes	Yes	No	No	No	No	No	
Dist. of Columbia	None	Yes	Yes	Yes	No	Yes	Occ.	No	No	
Florida	87%	Yes	Yes	Yes	Yes	Yes	Occ.	No	Yes*	*Corr. crs. appr. for handi-capped stud. only
Georgia	100%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes*	*12 in-cla. hrs. reqd. for corr. crs.
Guam	NA									No PL educ.
Hawaii	100%	Yes	Yes	No	No	Yes	No	No	Yes*	*Corr. crs. appr. on case-by-case basis
Idaho	100%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Illinois	90%	Yes	Yes*	No	Yes	Yes	Yes	No	Yes	*Coll./univ. inst. exempt
Indiana	75%	Yes	Yes	Yes	Yes	Yes	No	No	No	
Iowa	100%	No	No	No	Yes	Yes	No	No	No	
Kansas	90%	Yes	Yes	No	No	Yes	Yes	Yes	Yes	
Kentucky	95%*	Yes*	No	No	No	Yes	No	No	Yes	*Coll./univ. crs. exempt from noted stds.
Louisiana	100%*	No	Yes	No	No	Yes	Yes	Yes	No	*Coll./univ. crs. exempt from att. reqt.
Maine	None	Yes	No	No	No	Yes*	Yes	Occ.	No	*Rev. lic. exam perf. for Ass. BR crs. only
Maryland	100%*	Yes	Yes	No	No	No	No	No	No	*Coll. cred. crs. exempt from att. reqt.
Massachusetts	100%	Yes	No	No	No	Yes*	Yes*	No	No	*Do not rev. lic. exam perf. on mon. cls. for coll. cred. crs.
Michigan	100%	No	Yes	No	No	Yes	Yes	No	No	

PRELICENSING EDUCATION STANDARDS

Jurisdiction	Min. Att. Req.	Presc. Crs. Outl.	Appr. Inst.	Appr. Texts	Appr. Crs. Exams	Rev. Lic. Exam Perf. by Sch.	Mon. Cls.	Rev. Stud. Eval.	Recog. Corr. or Ind. Study Crs.	Comments
Minnesota	100%	Yes	Yes	Yes	No	No	Yes	Occ.	No	
Mississippi	None	No	No	No	No	No	No	No	Yes	
Missouri	100%	Yes	Yes	No	Yes	Yes	Yes	No	Yes*	*Corr. crs. appr. in hardship cases only
Montana	90%	Yes	Yes	No	No	Yes	No	Yes	No	
Nebraska	100%	Yes	Yes	Yes	No	No	Yes	Yes	Yes	
Nevada	100%	Yes*	Yes	No	No	No	No	No	Yes	*Coll. cred. crs. exempt from crs. outl. reqt.
New Brunswick	NA*	No	No	No	Yes	No	No	No	Yes	*Home study only
New Hampshire	NA									No PL educ.
New Jersey	80%	Yes	Yes	No	No	Yes	Yes	No	No	
New Mexico	75%	Yes	Yes*	No	No	No	No	No	Yes	*Coll./univ. crs. exempt from inst. reqt.
New York	90%	Yes	Yes	Yes	Yes	No	Yes	No	No	
North Carolina	80%	Yes	Yes	Yes	Occ.	Yes	No	No	No	
North Dakota	None	Yes	Yes	No	No	No	No	Yes	Yes	
Nova Scotia	NA	No	No	Yes	Yes	NA	NA	No	Home Study	Home study only (1988)
Ohio	100%	No	No	No	No	No	No	No	No	
Oklahoma	100%	Yes	Yes	Yes	No	Yes	Yes	No	No	
Ontario*	NR									*No response to survey
Oregon	100%	Yes	Yes*	No	Yes*	Yes	Yes	Yes	No	*Do not appr. inst. or crs. exams for coll. cred. crs. *SP educ. only
Pennsylvania	80%	Yes*	Yes	No	No	Yes	Yes	Yes	No	
Quebec	None	Yes	No	No	No	No	No	No	No	
Rhode Island	100%	No	No	No	No	Yes	No	No	No	
Saskatchewan	NA	Yes	No	Yes	Yes	No	NA	Yes	Yes*	*All PL educ. is by corr. crs.
South Carolina	100%	Yes*	Yes*	Yes*	Yes*	Yes	Yes	No	Yes	*Coll./univ. crs. exempt from noted stds.
South Dakota	90%	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	
Tennessee	80%	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	
Texas	100%	No	Yes*	Yes*	Yes*	Occ.*	Yes*	Yes*	Yes*	*All stds. apply to prop. sch. crs. only
Utah	None	Yes*	Yes*	Yes*	Yes*	Yes	Yes	Yes	Yes	*Coll./univ. crs. exempt from noted stds.

PRELICENSING EDUCATION STANDARDS

Jurisdiction	Min. Att. Req.	Presc. Crs. Outl.	Appr. Inst.	Appr. Texts	Appr. Crs. Exams	Rev. Lic. Exam Perf. by Sch.	Mon. Cls.	Rev. Stud. Eval.	Recog. Corr. or Ind. Study Crs.	Comments
Vermont	100%	Yes	Yes	No	No	No	Yes	No	No	No SP PL educ. - stds. apply to 8-hr. BR PL crs. only (1988) *Coll. instructors exempt from noted stds.
Virginia	None	Yes	Yes*	No	No	No	No	No	No	
Virgin Islands	NA									
Washington	100%	Yes	Yes	Yes	Yes	Yes	No	No	Yes	*Coll. cred. crs. exempt from noted stds.
West Virginia	None	Yes	Yes	No	No	No	No	No	Yes	
Wisconsin	100%*	Yes	Yes*	No	No	No	No	No	No*	
Wyoming	None	Yes	Yes	No	No	Yes	No	No	Yes	

PART III - CONTINUING EDUCATION REQUIREMENTS AND STANDARDS

Part III reports the real estate continuing education (CE) requirements of the NAREID member jurisdictions and the primary standards regularly employed by the real estate licensing agencies of such jurisdictions when approving and monitoring continuing education courses. Refer to the "Key to Abbreviations" page for further assistance in understanding the reported information.

NOTES AND COMMENTS

1. The continuing education requirements shown are the number of classroom or clock hours required to be completed by licensees within a recurring period of time. For example, "12 hrs/2 yrs" means that licensees must complete 12 hours in approved courses every 2 years. The stated requirements apply to both salespersons and brokers unless otherwise indicated in the "Comments" column. The time period indicated may or may not be the jurisdiction's regular license renewal period.
2. All the hours shown in the first column must be in general real estate subjects (some jurisdictions are more restrictive than others with regard to course content). The hours shown in the "Hours required in designated RE topics" column are the portion of the requirement shown in the first column that must be taken in specific, designated RE topics such as "License Law Update", "Legal Update", "Contracts", "Agency", etc.
3. Note that "Approve Course Content" is NOT one of the standards included in this report because it is assumed that all jurisdictions with continuing education approve course content, and this question was not included in the survey.
4. Note that the report indicates whether or not a course examination is required ("Exam Req.") and any required minimum length for courses ("Min. Crs. Lgth.").
5. The indicated standards apply to courses conducted by all types of approved schools/course sponsors unless otherwise indicated in the "Comments" column.

CONTINUING EDUCATION REQUIREMENTS AND STANDARDS

Jurisdiction	CE Reqt. for SP & BR	Hrs. Reqt. in desig. RE Topics	CE Eff. Date	Min. Att. Reqt.	Exam Reqt.	Min. Crs. Igth.	Appr. Inst.	Appr. Inst. Matls	Mon-itor Cts.	Rev. Stud. Eval.	Recog. Corr./ Ind. Study Crs.	Comments
Alabama	12 hrs/2 yrs	3 hrs	1986	100%	No	3 hrs	Yes	Yes	Occ.	Yes	No	
Alaska	None											
Alberta	None											
Arizona	24 hrs/2 yrs	12 hrs	1980	90%	No	None	Yes	Yes	Yes	No	No	
Arkansas	6 hrs/yr	3 hrs (for prop & vo-tech sch)	1989	90%*	No	6 hrs	No	No	No	No	Yes	*NA to coll./univ. crs.
British Columbia	None											
California	45 hrs/4 yrs*	6 hrs	1981	90%	Yes	3 hrs	Yes	Yes	Yes	No	Yes	* 6 hrs for 1st SP renewal eff. 1/1/90
Colorado	None											
Connecticut	12 hrs/2 yrs	3 hrs	1984	100%	No	3 hrs	No	Yes	Occ.	Occ.	No	
Delaware	15 hrs/2 yrs	3 hrs *	1988	100%	No	2 hrs	Yes	No	No	Yes	No	*6 hrs in 1st renewal per.
Dt. of Columbia	12 hrs/2 yrs	3 hrs	1983	100%	No	1 hr	Yes	Yes	Occ.	No	No	
Florida	14 hrs/2 yrs	3 hrs	1977	90%	No	3 hrs	Yes	Yes	Occ.	No	Yes	
Georgia	3 hrs/ yr*	None	1987	100%	No	3 hrs	No	Yes	Yes	No	Yes	*SP & BR 11c'd. prio. to 1980 are exempt

CONTINUING EDUCATION REQUIREMENTS AND STANDARDS

Jurisdiction	CE Req't. for SP & BR	Hrs. Req'd. in desig. RE Topics	CE Eff. Date	Min. Att. Req'd.	Exam Req'd.	Min. Crs. Lgth.	Appr. Inst.	Appr. Instl Mats	Mon- itor Cls.	Rev. Stud. Eval.	Recog. Corr./ Ind. Study Crs.	Comments
Guam	None											
Hawaii	10 hrs/2 yrs	10 hrs	1991	100%	Yes	3.3 hrs	Yes	Yes	No	Yes	No	
Idaho	12 hrs/2 yrs	12 hrs	1989	None	Yes	3 hrs	Yes	Yes	Yes	Yes	Yes	
Illinois	None											
Indiana	None											
Iowa	36 hrs/3 yrs	12 hrs	1982	100%	No	3 hrs	No	Yes	No	No	Yes	
Kansas	12 hrs/2 yrs	None	1987	100%	No	3 hrs	Yes	Yes	Yes	Yes	Yes	
Kentucky	None											
Louisiana	15 hrs./2 yrs*	None	1981	100%	No	3 hrs	Yes	Yes	Yes	Yes	Yes	*SP & BR lic'd. prior to 1981 are exempt
Maine	12 hrs/2 yrs*	None	1979	100%	No	2 hrs	Yes	Yes	Yes	Yes	Yes	*For BR & Assoc. BR only - SP lic. is only valid for 2 yrs
Maryland	12 hrs/2 yrs	None	1988	100%	No	1 1/2 hrs	Yes	Yes	No	Yes	No	
Massachusetts	None											
Michigan	6 hrs/yr	Varies	1985	100%	No	6 hrs	Yes	Yes	Yes	No	No	
Minnesota	15 hrs/yr*	None	1987	None	No	None	Yes	Yes	Yes	Occ.	No	*30 hrs. req'd. for 1st renewal

CONTINUING EDUCATION REQUIREMENTS AND STANDARDS

Jurisdiction	CE Req't. for SP & BR	Hrs. Req'd. in desig. RE Topics	CE Eff. Date	Min. Att. Req'd.	Exam Req'd.	Min. Crs. Lgth.	Appr. Inst.	Appr. Instl Matis	Mon- itor Cls.	Rev. Stud. Eval.	Recog. Corr./ Ind. Study Crs.	Comments
Mississippi	8 hrs/2 yrs	2 hrs	1985	100%	No	2 hrs	Yes	Yes	Yes	No	Yes*	*Coll./univ. crs. only
Missouri	12 hrs/2 yrs	3 hrs	1984	100%	No	3 hrs	Yes	Yes	Yes	Yes	No	
Montana	15 hrs/2 yrs.	10 hrs	1988	90%	No	3 hrs	Yes	Yes	No	Yes	Yes	
Nebraska	12 hrs/2 yrs	None	1986	100%	No	3 hrs	Yes	Yes	Yes	Yes	Yes	
Nevada	15 hrs/2 yrs*	6 hrs	1978	90%	No	3 hrs	Yes*	Yes*	Yes*	Yes*	Yes	
New Brunswick	None											
New Hampshire	3 hrs/2 yrs	3 hrs	1985	100%	No	3 hrs	Yes	Yes	No	Yes	Yes*	*In some cases
New Jersey	None *											*Legislation pending
New Mexico	30 hrs/3 yrs	10 hrs from 20 core crs.	1989	*	No	None	Yes	Yes	No	Yes	Yes	*90% for "core" crs. - 75% for elective crs.
New York	45 hrs/4 yrs	None	1979	*	No	15 hrs	Yes	Yes	Yes	No	No	*90% for 45-hr crs. - 75% for 15-hr. module
North Carolina	None											
North Dakota	24 hrs/3 yrs	None	1981	90%	No	3 hrs	Yes	Yes	Yes	Yes	Yes	
Nova Scotia	None*											*1988 survey
Ohio	30 hrs/3 yrs	6 hrs	1980	90%	No	None	Yes	Yes	Yes	No	No	

CONTINUING EDUCATION REQUIREMENTS AND STANDARDS

Jurisdiction	CE Req't. for SP & BR	Hrs. Req'd. in desig. RE Topics	CE Eff. Date	Min. Att. Req'd.	Exam Req'd.	Min. Crs. Lgth.	Appr. Inst.	Appr. Instl Matis	Mon- itor Cls.	Rev. Stud. Eval.	Recog. Corr./ Ind. Study Crs.	Comments
Oklahoma	21 hrs/3 yrs	3 hrs	1984	100%	No	2 hrs	Yes	Yes	Yes	No	Yes	
Ontario	None*											*1987 survey
Oregon	12 hrs/2 yrs* (SP only - none for BR)	None	1971	100%	No	None	No	No	No	No	No	*24 hrs/2 yrs for first 3 renewals
Pennsylvania	None											
Quebec	None											
Rhode Island	12 hrs/2 yrs	*	1990	*	No	*	*	*	*	*	*	*Stds. not yet developed
Saskatchewan	None											
South Carolina	None											
South Dakota	24 hrs/2 yrs	None	1980	90%	No	1 hr	Yes	Yes	Yes	Yes	Yes	
Tennessee	16 hrs/2 yrs (SP only - none for BR)	None	1988	100%*	No	2 hrs	Yes	Yes	Yes	Yes	Yes	*80% w/makeup and exam
Texas	15 hrs/2 yrs*	6 hrs	1991	100%	No	3 hrs	Yes	Yes	Yes	Yes	Yes	*Effective 9-1-91
Utah	None											
Vermont	4 hrs/2 yrs*	None	1986	100%	No	1 hr	Yes	Yes	Yes	Yes	No	*1988 survey
Virginia	6 hrs/2 yrs	6 hrs	1990	100%	No	6 hrs	Yes	Yes	No	Yes	No	
Virgin Islands	None*											*1988 survey

CONTINUING EDUCATION REQUIREMENTS AND STANDARDS

Jurisdiction	CE Req't. for SP & IR	Hrs. Req'd. in desig. RE Topics	CE Eff. Date	Min. Att. Req'd.	Exam Req'd.	Min. Crs. Lgth.	Appr. Inst.	Appr. Instl Mats	Mon- itor Cls.	Rev. Stud. Eval.	Recog. Corr. / Ind. Study Crs.	Comments
Washington	30 hrs/2 yrs	No	1991	100%	Yes	3 hrs	Yes	Yes	No	No	No	
West Virginia	7 hrs/yr	7 hrs	1990	100%	No	7 hrs	Yes	Yes	No	No	No	
Wisconsin	None											
Wyoming	30 hrs/3 yrs	15 hrs	1984	90%	No	3 hrs	Yes	Yes	Yes	Yes	Yes	

PART IV - TRANSFERABILITY OF PRELICENSING AND CONTINUING EDUCATION

Part IV reports the types of prelicensing and continuing education courses (by type of school or course sponsor) taken in another jurisdiction that will/will not generally be recognized by the real estate licensing agencies of the NARELLO member jurisdictions for an applicant for licensure by examination. Refer to the "Key to Abbreviations" page for further assistance in understanding the reported information.

NOTES AND COMMENTS

1. Survey respondents were asked to assume that "... such courses are approved by the other jurisdiction's real estate licensing agency and the length and content" (except for state law) of such courses is comparable to approved courses in your jurisdiction.
2. If a survey respondent commented that courses taken at/through a particular type of school/course sponsor would be recognized if the school/course sponsor had obtained prior approval of the courses by their agency, then a "No" response was recorded for courses taken at/through that particular type of school/course sponsor.
3. The categories of courses included in the survey/report are:
 - a. College credit courses taken at a college/university or community/junior college.
 - b. College non-credit courses taken at a college/university or community/junior college.
 - c. Courses taken at a proprietary real estate school.
 - d. Courses taken through a national or state professional association (CE only).
 - e. Courses sponsored directly by the real estate licensing agency (CE only).
 - f. Courses sponsored by individuals (CE only).
 - g. Courses certified by NARELLO (regardless of the type of school).
4. Although the survey did not address this particular point, it is quite likely that some of the jurisdictions which indicated they will not recognize "NARELLO-certified courses regardless of the type of school" may, in fact, recognize certain NARELLO-certified courses taken at/through certain types of schools/course sponsors.

TRANSFERABILITY OF PRELICENSING AND CONTINUING EDUCATION

Jurisdiction	Prelicensing Education					Continuing Education							
	Recog. the ff. PL courses taken in another juris.:					Recog. the ff. CE courses taken in another juris.:							
	Coll. cred. crs.	Coll. non-cred. crs.	Prop. RE Sch. crs.	NARELLO cert. crs.	Comments	Coll. cred. crs.	Coll. non-cred. crs.	Prop. Sch. crs.	Prof. Assn. crs.	RE Comm. crs.	Ind. spons. crs.	NARELLO cert. crs.	Comments
Alabama	Yes	Yes	Yes	Yes	Min. 45-hr. crs. over 8 wks. (+)	Yes	No	No	Yes	No	No	No	
Alaska	NA	-----	-----	-----	No PL educ.	NA	-----	-----	-----	-----	-----	-----	No CE
Alberta	NA	-----	-----	-----	Home Study only	NA	-----	-----	-----	-----	-----	-----	No CE
Arizona	Yes	No	No	No	3 sem. hr. crs. only	Yes	Yes	Yes	Yes	Yes	No	No	
Arkansas	Yes	Yes	No	No		Yes	Yes	Yes*	Yes	Yes*	Yes*	Yes	*Only for AR non-res. licee.
British Columbia	No	No	No	No		NA	-----	-----	-----	-----	-----	-----	No CE
California	Yes	No	No	No		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Colorado	Yes	Yes	Yes	No		NA	-----	-----	-----	-----	-----	-----	No CE
Connecticut	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Delaware	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Dt. of Columbia	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Florida	Yes	No	No	No		Yes	No	No	Yes	No	Yes	No	
Georgia	Yes	Yes	Yes	Yes		Yes	No	No	Yes	No	No	No	
Guam	NA	-----	-----	-----	No RE PL educ.	NA	-----	-----	-----	-----	-----	-----	No CE
Hawaii	Yes	No*	No*	No*	*Yes if licee. of juris. w/comp. educ reqts.	No	No	No	No	No	No	No	
Idaho	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Illinois	Yes	No	No	No		-----	-----	-----	-----	-----	-----	-----	No CE
Indiana	Yes*	No	No	No	*Only SP crs. & only if an 8 sem. hr. coll. cred. crs	NA	-----	-----	-----	-----	-----	-----	No CE
Iowa	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Kansas	No	No	No	No		No	No	No	No	No	No	No	* Except by recip
Kentucky	Yes	No	No	No		NA	-----	-----	-----	-----	-----	-----	No CE
Louisiana	Yes*	Yes*	Yes*	Yes*	*Exc. for 30 hrs reqd. at LA sch.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	

TRANSFERABILITY OF PRELICENSING AND CONTINUING EDUCATION

Jurisdiction	Prelicensing Education					Continuing Education							
	Recog. the ff. PL courses taken in another juris.:					Recog. the ff. CE courses taken in another juris.:							
	Coll. cred. crs.	Coll. non-cred. crs.	Prop. RE Sch. crs.	NARELLO cert. crs.	Comments	Coll. cred. crs.	Coll. non-cred. crs.	Prop. Sch. crs.	Prof. Assn. crs.	RE Comm. crs.	Ind. spons. crs.	NARELLO cert. crs.	Comments
Maine	Yes	Yes	Yes	Yes	*If lic. in other juris.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No CE
Maryland	Yes	No	Yes	No		Yes	Yes	Yes	Yes	Yes	Yes	No	
Massachusetts	Yes*	Yes*	Yes*	Yes		NA	-----	-----	-----	-----	-----	-----	
Michigan	Yes	No	No	No		No	No	No	No	No	No	No	
Minnesota	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Mississippi	Yes	No	No	No		Yes	No	No	No	No	No	Yes	
Missouri	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Montana	Yes	No	No	No		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Nebraska	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Nevada	Yes	Yes	Yes	No		Yes	No	No	Yes	No	No	No	
New Brunswick	NA	-----	-----	-----	Home Study only	NA	-----	-----	-----	-----	-----	No CE	
New Hampshire	NA	-----	-----	-----	No PL. educ.	No	No	No	No	No	No		
New Jersey	Yes	Yes	Yes	No	NA	-----	-----	-----	-----	-----	-----	No CE	
New Mexico	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
New York	Yes	Yes	Yes	Yes	No	No	No	No	No	No	No		
North Carolina	Yes	Yes	Yes	Yes	NA	-----	-----	-----	-----	-----	-----	No CE	
North Dakota	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Nova Scotia	NA	-----	-----	-----	Home Study (1988)	NA	-----	-----	-----	-----	-----	No CE (1988)	
Ohio	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Oklahoma	Yes	No	No	Yes	Yes	yes	Yes	Yes	Yes	Yes	Yes		
Ontario	NR	-----	-----	-----	NA	-----	-----	-----	-----	-----	-----	No CE	
Oregon	Yes	No	No	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		
Pennsylvania	Yes	Yes	Yes	No	NA	-----	-----	-----	-----	-----	-----	No CE	
Quebec	Yes*	No	No	No	*Certain crs. only	NA	-----	-----	-----	-----	-----	No CE	
Rhode Island	Yes	Yes	No	No	NA	-----	-----	-----	-----	-----	-----	CE eff. 1990	
Saskatchewan	Yes	Yes	Yes	Yes	NA	-----	-----	-----	-----	-----	-----	No CE	
South Carolina	Yes	Yes	Yes	Yes	NA	-----	-----	-----	-----	-----	-----	No CE	
South Dakota	Yes	Yes	Yes	No	Yes	Yes	Yes	Yes	Yes	Yes	Yes		

TRANSFERABILITY OF PRELICENSING AND CONTINUING EDUCATION

Jurisdiction	Prelicensing Education					Continuing Education							
	Recog. the ff. PL courses taken in another juris.:					Recog. the ff. CE courses taken in another juris.:							
	Coll. cred. crs.	Coll. non-cred. crs.	Prop. RE Sch. crs.	NARELLO cert. crs.	Comments	Coll. cred. crs.	Coll. non-cred. crs.	Prop. Sch. crs.	Prof. Assn. crs.	RE Coun. crs.	Ind. spons. crs.	NARELLO cert. crs.	Comments
Tennessee	Yes*	Yes*	Yes*	Yes*	*For up to 30 hrs (1/2) of PL reqt.	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Texas	Yes	Yes	No	Yes		*	-----	-----	-----	-----	-----	-----	*To be determined
Utah	Yes	Yes	Yes	Yes		NA	-----	-----	-----	-----	-----	-----	No CE (1988)
Vermont	No	No	No	No	Only have DR PL educ. (1988)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Virginia	Yes	No	Yes	No		No	No	No	No	No	No	No	No CE (1988)
Virgin Islands	NA	-----	-----	-----	No PL educ. (1988)	NA	-----	-----	-----	-----	-----	-----	
Washington	Yes	Yes	Yes	No		NA	-----	-----	-----	-----	-----	-----	CE eff. 1991
West Virginia	NR	NR	NR	NR		Yes	Yes	Yes	Yes	Yes	Yes	Yes	
Wisconsin	Yes	Yes*	Yes*	Yes*	*Only if appl. is lic'd. in other juris.	NA	-----	-----	-----	-----	-----	-----	No CE
Wyoming	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	No	Yes	

PART V - OTHER EDUCATION INFORMATION

Part V reports certain additional information regarding the education and research activities of the real estate licensing agencies in NARELLO member jurisdictions. Refer to the "Key to Abbreviations" page for further assistance in understanding the reported information.

NOTES AND COMMENTS

The survey asked the following questions:

1. Does your agency have a full-time staff (or part-time consultant) Education Director?
2. Does your agency regularly utilize an education advisory or liaison committee?
3. Does your agency have a real estate education and/or research fund (or a recovery fund that can be used in part to fund education and/or research projects)?
4. Does any college/university in your jurisdiction have an active real estate research center? If "Yes", is this research center funded wholly or in part by real estate license fees?