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BILL ANALYSIS

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House Bill 4421 (Substitute H-1 as passed by the House)
Sponsor: Representative Fulton Sheen
House Committee: Insurance
Senate Committee: Senior Citizens and Veterans Affairs

Date Completed: 6-10-05

CONTENT

The bill would amend the Insurance Code to do all of the following:

- Require the Commissioner of the Office of Financial and Insurance Services (OFIS) to waive the Code's continuing education requirements for an insurance producer who was unable to comply with them due to military service.**
- Require, rather than allow, the Commissioner to waive those requirements if they would cause a severe hardship.**
- Require at least 24, rather than 30, hours of continuing education for insurance producers; and require at least three hours of the education to be in insurance ethics.**
- Delete minimum requirements pertaining to certain types of insurance agents.**

The bill would take effect November 1, 2005.

Waiver

The Code allows the OFIS Commissioner to waive the Code's continuing education requirements for an insurance producer if the Commissioner determines that enforcement of the requirements would cause a severe hardship. The bill instead would require the Commissioner to waive the requirements under those circumstances. The bill also would require the Commissioner to waive the requirements for an insurance producer who was unable to comply with them due to military service.

Continuing Education

Under the Code, an insurance producer's hours of study must be reviewed every two years unless the producer has renewed his or her license. A producer wishing to renew his or her license must, before the review date, attend or instruct at least 30 hours of continuing education classes approved by the OFIS Commissioner or 30 hours of home study evidenced by successful completion of course work approved by the Commissioner. The bill would reduce the minimum education requirement to 24 hours, and require that at least three of those hours be in ethics in insurance classes or course work.

The bill also would delete a requirement that at least 15 hours of a life-health agent's continuing education be in a program of study approved for life-health agents and that at least 15 hours of a property-casualty agent's continuing education be in a program of study approved for property-casualty agents.

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

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