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BILL ANALYSIS



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Senate Bill 1475 (Substitute S-1)
Sponsor: Senator Alan Sanborn
Committee: Economic Development and Regulatory Reform

Date Completed: 9-24-08

CONTENT**The bill would amend the Insurance Code to do the following:**

- **Delete the schedule for review of an insurance producer's hours of study.**
- **Allow the Commissioner of Financial and Insurance Regulation to establish a schedule for review of license continuance.**
- **Allow the completion of continuing education by on-line training.**
- **Revise the membership of the Insurance Agent Education Advisory Council.**

The bill would take effect on January 1, 2010.

Review Schedule; Continuing Education

The Code requires an insurance producer's accrued hours of study to be reviewed for license continuance every two years, in a specific month based on the last digit of the producer's license number and the first initial of his or her last name. The bill would delete this schedule.

Under the bill, an insurance producer's accrued hours of study would have to be reviewed for license continuance every two years under a schedule established by the Commissioner. The Commissioner could establish a schedule that staggered license continuation dates to apportion them throughout the calendar year. If the system of staggered continuation were adopted, the Commissioner could extend the licensure period for some licensees.

Under the Code, before the review date of each applicable period, an insurance producer wishing to renew his or her license must attend or instruct at least 24 hours of continuing education classes approved by the Commissioner or 24 hours of home study if evidenced by successful completion of course work approved by the Commissioner. The bill would refer to home study or on-line training.

Advisory Council

The Code requires the Commissioner to appoint members of the Insurance Agent Education Advisory Council in the Department of Labor and Economic Growth. In addition to other specified members, the Council must include two representatives of the Michigan Association of Life Underwriters, and two representatives of the Professional Independent Insurance Agents of Michigan. The bill, instead, would require two representatives of the

National Association of Insurance and Financial Advisors – Michigan, and two representatives of the Michigan Association of Insurance Agents.

MCL 500.1204b & 500.1204c

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.