

SENATE BILL No. 1476

September 10, 2008, Introduced by Senators BARCIA, THOMAS, SANBORN and GILBERT and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 1204a (MCL 500.1204a), as amended by 2006 PA
442.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1204a. (1) To qualify as a registered insurance agent
2 program of study, the program of study shall meet all of the
3 following criteria:

4 (a) Be conducted through an educational institution offering
5 home study courses that has been in existence for not less than 5
6 years, by an insurance trade association, by an authorized insurer
7 as provided in subsection (2), or by an educational institution
8 listed in the state board of education directory of institutions of

1 higher learning.

2 (b) ~~Except as provided in subsection (2), provide for a~~
3 ~~minimum number of hours of classroom instruction or its equivalent~~
4 ~~in home study or online courses as follows:~~

5 ~~—— (i) In the case of a program of study for health insurance~~
6 ~~agents, 14 hours of instruction on the principles of health~~
7 ~~insurance and 6 hours of instruction on the requirements of the~~
8 ~~insurance laws of this state.~~

9 ~~—— (ii) In the case of a program of study for life insurance~~
10 ~~agents, 20 hours of instruction on the principles of life insurance~~
11 ~~and 6 hours of instruction on the requirements of the insurance~~
12 ~~laws of this state.~~

13 ~~—— (iii) In the case of a combined program of study for life and~~
14 ~~health insurance agents, 14 hours of instruction on the principles~~
15 ~~of health insurance, 20 hours of instruction on the principles of~~
16 ~~life insurance, and 6 hours of instruction on the requirements of~~
17 ~~the insurance laws of this state.~~

18 ~~—— (iv) In the case of a program of study for property and~~
19 ~~easualty insurance agents and solicitors, 12 hours of instruction~~
20 ~~on the principles of property insurance, 6 hours of instruction on~~
21 ~~the requirements of the insurance laws of this state, and 22 hours~~
22 ~~of instruction on the principles of liability insurance. PROVIDE~~
23 **FOR A MINIMUM OF 20 HOURS OF INSTRUCTION PER LINE OF INSURANCE AS**
24 **DESCRIBED IN SECTION 1206(1).**

25 (c) Include instruction in ethical practices in the marketing
26 and selling of insurance.

27 (d) Instruction shall be given only by individuals who meet

1 the qualifications required by the commissioner. The commissioner,
2 after consulting the insurance agent education advisory council,
3 shall promulgate rules prescribing the criteria ~~which~~**THAT** must be
4 met by a person in order to render instruction in a registered
5 insurance agent program of study.

6 (2) An authorized insurer may conduct that portion of the
7 minimum number of hours of instruction under subsection (1) as the
8 commissioner ~~deems~~**CONSIDERS** appropriate. Any combination of
9 classroom, online, or self-study hours may be used in satisfying
10 the minimum number of hours of instruction under subsection (1).

11 (3) The commissioner shall promulgate rules prescribing the
12 subject matter that a program of study must possess to qualify for
13 registration under this section.

14 (4) The commissioner may make recommendations for improvements
15 in course materials as ~~deemed~~**CONSIDERED** necessary by the
16 commissioner. The commissioner may, after notice and opportunity
17 for a hearing, withdraw the registration of a program of study
18 ~~which~~**THAT** does not maintain reasonable standards as determined by
19 the commissioner for the protection of the public.