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BILL ANALYSIS

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Senate Bill 1477 (Substitute S-3 as reported by the Committee of the Whole)
Sponsor: Senator Jud Gilbert, II
Committee: Economic Development and Regulatory Reform

CONTENT

The bill would amend the Insurance Code to do the following in regard to the examination for an insurance producer license:

- Require an applicant to have completed a course of study within 12 months, rather than six months, before applying.
- Allow the exam or program of study requirements to be waived for people who had obtained various types of designations, in addition to those currently listed.
- Require the exam to be entry level.

A resident applying for an insurance producer license must pass a written examination unless exempt under Section 1206a (which pertains to a person previously licensed for the same qualifications in another state). An exam may not be given unless the applicant has completed a registered program of study. An applicant must file with the Commissioner of Financial and Insurance Regulation a certification of completion indicating that the course of study was completed not more than six months before the Commissioner receives the application for examination. The bill would increase that period to 12 months.

The Code allows the Commissioner to waive the exam or program of study requirements for a person who meets any of the criteria specified in the Code. These include having obtained one of the following designations: chartered property and casualty underwriter, chartered life underwriter, certified insurance counselor, accredited advisor in insurance, or chartered financial consultant. The bill also would allow the Commissioner to waive the requirements for a person who obtained any of the following designations: certified employee benefit specialist, certified financial planner, Fellow Life Management Institute, Life Underwriting Training Council Fellow, registered health underwriter, registered employee benefits consultant, health insurance associate, or associate in risk management.

The bill would take effect six months after the date of its enactment.

MCL 500.1204

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on the Office of Financial and Insurance Regulation (OFIR) within the Department of Labor and Economic Growth. Staff of OFIR have indicated that these changes would bring the program into conformity with national standards.

Date Completed: 11-6-08

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