

# SENATE BILL No. 1477

September 10, 2008, Introduced by Senators GILBERT, SANBORN and BARCIA 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 1204 (MCL 500.1204), as amended by 2001 PA 228.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 1204. (1) A resident individual applying for an insurance  
2 producer license shall pass a written examination unless exempt  
3 pursuant to section 1206b.

4           (2) Within a reasonable time after receipt of a properly  
5 completed application **FOR EXAMINATION**, the commissioner shall  
6 subject the applicant to a written examination. An applicant shall  
7 not be given an examination unless the applicant has completed a  
8 program of study registered with the commissioner pursuant to

1 section 1204a. An applicant shall file a certificate of completion  
2 of the registered program of study with the commissioner on a form  
3 prescribed by the commissioner indicating that the course of study  
4 was completed by the applicant not more than ~~6-12~~ months before the  
5 application **FOR EXAMINATION** is received by the commissioner. The  
6 commissioner may waive the applicable examination or program of  
7 study requirements of this section for a person who ~~applies~~ **MEETS**  
8 **ANY OF THE FOLLOWING:**

9 (A) **APPLIES** for a limited license as designated by the  
10 commissioner. ~~for a person who has~~

11 (B) **HAS** been a licensed insurance producer within the  
12 preceding 12 months. ~~for a person who has~~

13 (C) **HAS** obtained the chartered property and casualty  
14 underwriter designation, the chartered life underwriter  
15 designation, certified insurance counselor designation, accredited  
16 advisor in insurance designation, ~~or the chartered financial~~  
17 consultant designation, ~~or for a person who has~~ **THE CERTIFIED**  
18 **EMPLOYEE BENEFIT SPECIALIST DESIGNATION, THE CERTIFIED FINANCIAL**  
19 **PLANNER DESIGNATION, THE FELLOW LIFE MANAGEMENT INSTITUTE**  
20 **DESIGNATION, THE LIFE UNDERWRITING TRAINING COUNCIL FELLOW**  
21 **DESIGNATION, THE REGISTERED HEALTH UNDERWRITER DESIGNATION, THE**  
22 **REGISTERED EMPLOYEE BENEFITS CONSULTANT DESIGNATION, THE HEALTH**  
23 **INSURANCE ASSOCIATE DESIGNATION, OR THE ASSOCIATE IN RISK**  
24 **MANAGEMENT DESIGNATION.**

25 (D) **HAS** an associate's, bachelor's, or master's degree with a  
26 concentration in insurance from an institution approved by the  
27 commissioner.

1           (3) The examination shall **BE FAIR AND ENTRY LEVEL AND SHALL**  
2 test the knowledge of the individual concerning the qualifications  
3 for which application is made, the duties and responsibilities of  
4 an insurance producer, and the insurance laws and regulations of  
5 this state. Examinations required by this section shall be  
6 developed and conducted as prescribed by the commissioner.

7           (4) The commissioner may make arrangements, including  
8 contracting with an outside testing service, for administering  
9 examinations under this section and collecting the nonrefundable  
10 fee in section 240(1)(h) or (4).

11           (5) Each individual applying for an examination under this  
12 section shall remit a nonrefundable fee as prescribed in section  
13 240(1)(h) or (4).

14           (6) An individual who fails to appear for the examination  
15 required under this section as scheduled or fails to pass the  
16 examination shall reapply for an examination and remit all required  
17 examination fees and forms to be rescheduled for another  
18 examination.

19           **(7) EACH INDIVIDUAL APPLYING FOR AN EXAMINATION UNDER THIS**  
20 **SECTION SHALL BE REQUESTED TO SUBMIT WITH THE APPLICATION FOR**  
21 **EXAMINATION ALL OF THE FOLLOWING:**

22           **(A) THE APPLICANT'S GENDER.**

23           **(B) THE APPLICANT'S NATIVE LANGUAGE.**

24           **(C) THE HIGHEST LEVEL OF EDUCATION ACHIEVED BY THE APPLICANT.**

25           **(D) THE APPLICANT'S RACE AND ETHNICITY.**

26           **(8) THE REQUEST UNDER SUBSECTION (7) SHALL CONTAIN A STATEMENT**  
27 **THAT AN APPLICANT IS NOT REQUIRED TO DISCLOSE, AND WILL NOT BE**

1 PENALIZED FOR FAILING TO DISCLOSE, HIS OR HER GENDER, NATIVE  
2 LANGUAGE, HIGHEST LEVEL OF EDUCATION ACHIEVED, OR RACE AND  
3 ETHNICITY, AND THAT THE OFFICE OF FINANCIAL AND INSURANCE  
4 REGULATION WILL USE THIS INFORMATION EXCLUSIVELY FOR RESEARCH AND  
5 STATISTICAL PURPOSES AND TO IMPROVE THE QUALITY AND FAIRNESS OF THE  
6 EXAMINATION.