

HOUSE BILL NO. 6114

August 17, 2020, Introduced by Reps. Markkanen, Rendon, Eisen, Wozniak, Paquette and Brenda Carter and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending sections 4159 and 4160 (MCL 500.4159 and 500.4160), as
added by 2012 PA 544.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 4159. A producer shall not dissuade, or attempt to
2 dissuade, a consumer from any of the following:
3 (a) Truthfully responding to an insurer's request for
4 confirmation of ~~suitability~~ **the consumer profile** information.
5 (b) Filing a complaint.



1 (c) Cooperating with the investigation of a complaint.

2 Sec. 4160. (1) A producer shall not solicit the sale of an
3 annuity unless the producer has adequate knowledge of the product
4 to recommend the annuity and the producer is in compliance with the
5 insurer's standards for product training. A producer may rely on
6 insurer-provided product-specific training standards and materials
7 to comply with this subsection.

8 (2) A producer who engages in the sale of annuities shall
9 complete a 1-time 4-credit training course approved by the
10 ~~commissioner~~ **director** and provided by an insurance producer program
11 of study registered under chapter 12. Insurance producers who hold
12 a life insurance line of authority on ~~the effective date of the~~
13 ~~amendatory act that added this section~~ **June 1, 2013** and who desire
14 to sell annuities shall complete the requirements of this
15 subsection ~~within 6 months after the effective date of the~~
16 ~~amendatory act that added this section.~~ **by December 1, 2013.**

17 Individuals who obtain a life insurance line of authority ~~on or~~
18 ~~after the effective date of the amendatory act that added this~~
19 ~~section~~ **May 31, 2013** shall not engage in the sale of annuities
20 until the annuity training course required under this subsection
21 has been completed.

22 (3) The minimum length of the training required under
23 subsection (2) ~~shall~~ **must** be not less than 4 hours, as defined in
24 section 1204c, and may be longer.

25 (4) The training required under subsection (2) ~~shall~~ **must**
26 include information on all of the following:

27 (a) The types of annuities and various classifications of
28 annuities.

29 (b) Identification of the parties to an annuity.



1 (c) How fixed, variable, and indexed annuity contract
2 provisions affect consumers.

3 (d) The income taxation of qualified and nonqualified
4 annuities.

5 (e) The primary uses of annuities.

6 (f) Appropriate **standard of conduct**, sales practices, and
7 replacement and disclosure requirements.

8 (5) Registered insurance producer programs of study ~~shall~~**must**
9 cover all topics under subsection (4) and ~~shall~~**must** not present
10 any marketing information or provide training on sales techniques
11 or provide specific information about a particular insurer's
12 products. Additional topics may be offered in conjunction with and
13 in addition to the topics under subsection (4).

14 (6) A provider of an annuity training course intended to
15 comply with this section shall register with the ~~commissioner~~
16 **director** as a continuing education provider in this state and
17 comply with any requirements of the ~~commissioner~~**director**
18 applicable to insurance producer continuing education.

19 (7) **A producer who has completed an annuity training course**
20 **approved by the director before the effective date of the 2020**
21 **amendatory act that amended this section shall, within 6 months**
22 **after the effective date of the 2020 amendatory act that amended**
23 **this section, complete either of the following:**

24 (a) **A new 4-credit training course approved by the director**
25 **after the effective date of the 2020 amendatory act that amended**
26 **this section.**

27 (b) **An additional 1-time 1-credit training course approved by**
28 **the director and provided by the department-approved education**
29 **provider on appropriate sales practices, replacement, and**



1 **disclosure requirements under this chapter.**

2 (8) ~~(7)~~—Annuity training courses may be conducted and
3 completed by classroom or self-study methods in accordance with
4 requirements of the ~~commissioner~~**director**.

5 (9) ~~(8)~~—Providers of annuity training shall comply with any
6 reporting requirements imposed by the ~~commissioner~~**director** and
7 shall issue certificates of completion in accordance with any
8 requirements of the ~~commissioner~~**director**.

9 (10) ~~(9)~~—The satisfaction of the training requirements of
10 another state that the ~~commissioner~~**director** determines to be
11 substantially similar to this section satisfies the training
12 requirements of this section.

13 (11) **The satisfaction of the components of the training**
14 **requirements of any course or courses with components substantially**
15 **similar to this section satisfies the training requirements of this**
16 **section.**

17 (12) ~~(10)~~—An insurer shall verify that an insurance producer
18 has completed the annuity training course required under this
19 section before allowing the producer to sell an annuity for that
20 insurer. An insurer may satisfy its responsibility under this
21 section by obtaining certificates of completion of the training
22 course or obtaining reports provided by ~~commissioner-sponsored~~
23 **director-sponsored** database systems or vendors or from a reasonably
24 reliable commercial database vendor that has a reporting
25 arrangement with a registered insurance producer program of study.

26 Enacting section 1. This amendatory act takes effect 6 months
27 after the date it is enacted into law.

28 Enacting section 2. This amendatory act does not take effect
29 unless all of the following bills of the 100th legislature are



1 enacted into law:

2 (a) Senate Bill No. _____ or House Bill No. 6112 (request no.
3 05748'20).

4 (b) Senate Bill No. _____ or House Bill No. 6113 (request no.
5 07415'20).

6 (c) Senate Bill No. _____ or House Bill No. 6115 (request no.
7 07417'20).

