



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4325 (Substitute S-1 as reported by the Committee of the Whole)

Sponsor: Representative Tom Barrett

House Committee: Insurance

Senate Committee: Insurance

CONTENT

The bill would amend the Insurance Code to permit an insurance producer who completed more than 24 hours of continuing education in one license continuation period to carry over not more than 12 hours to the next period. However, hours in ethics in insurance classes or coursework or hours associated with duplicative class or coursework could not be applied to the next license continuation period.

The bill also would allow the Director of Insurance and Financial Services to refuse to approve an insurance education instructor, and allow the Director to impose sanctions on an instructor, if one or more of the following applied:

- The insurance education instructor violated an insurance law or violated a rule, subpoena, or order of the Director or of another state's insurance commissioner.
- The instructor used fraudulent, coercive, or dishonest practices or demonstrated incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in or outside the State.
- The instructor's insurance producer license or its equivalent was revoked in conjunction with a disciplinary action in any state, province, district, or territory.

In addition, the bill would require that the minimum standard for the valuation for individual annuity and pure endowment contracts would be the 1983 Table A without projection if the contract were based on life contingencies and issued to fund periodic benefits arising from certain types of settlements.

The bill would repeal Section 1204b of the Code, which created an Insurance Agent Education Advisory Council.

MCL 500.835a et al.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have a negative fiscal impact on the Department of Insurance and Financial Services. The Department would need to alter the computer systems it uses to calculate continuing education credit hours for licensees. The Department estimates that this would cost \$40,000. The other changes the bill proposes would not have a noticeable financial impact.

Date Completed: 6-15-17

Fiscal Analyst: Michael Siracuse