

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1204a Qualification as registered insurance producer program of study; criteria; conducting portion of minimum number of classroom hours of instruction; rules; recommendations for improvements in course materials; failure to maintain reasonable standards; refusal by director to approve insurance education instructor; probation, suspension, or revocation of approval.

Sec. 1204a. (1) To qualify as a registered insurance producer program of study, the program of study must meet all of the following criteria:

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

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

(i) For a program of study for health insurance producers, 20 hours of instruction.

(ii) For a program of study for life insurance producers, 20 hours of instruction.

(iii) For a combined program of study for life and health insurance producers, 40 hours of instruction.

(iv) For a program of study for property insurance producers and solicitors, 20 hours of instruction.

(v) For a program of study for casualty insurance producers and solicitors, 20 hours of instruction.

(vi) For a program of study for personal lines producers, 20 hours of instruction.

(vii) For a program of study for property and casualty producers and solicitors, 40 hours of instruction. A program of study completed under this subparagraph satisfies the program of study requirements for personal lines producers and solicitors.

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

(d) Subject to subsection (5), instruction must be given only by individuals who meet the qualifications required by the director. The director shall promulgate rules prescribing the criteria that must be met by a person to render instruction in a registered insurance producer program of study.

(2) An authorized insurer may conduct that portion of the minimum number of hours of instruction under subsection (1) as the director considers appropriate. Any combination of classroom, online, or self-study hours may be used in satisfying the minimum number of hours of instruction under subsection (1).

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

(4) The director may recommend improvements in course materials as considered necessary by the director. The director may, after notice and opportunity for a hearing, withdraw the registration of a program of study that does not maintain reasonable standards as determined by the director for the protection of the public.

(5) For a registered insurance producer program of study under this section, the director may refuse to approve an insurance education instructor, and the director may place an approved insurance education instructor on probation or suspend or revoke approval of an approved insurance education instructor, or take any combination of these actions, if 1 or more of the following apply:

(a) The insurance education instructor violates an insurance law or violates a rule, subpoena, or order of the director or of another state's insurance commissioner.

(b) The insurance education instructor uses fraudulent, coercive, or dishonest practices or demonstrates incompetence, untrustworthiness, or financial irresponsibility in the conduct of business in this state or outside this state.

(c) The insurance education instructor's insurance producer license or its equivalent is revoked in conjunction with a disciplinary action in any state, province, district, or territory.

History: Add. 1986, Act 173, Imd. Eff. July 7, 1986;—Am. 1987, Act 64, Imd. Eff. June 25, 1987;—Am. 2006, Act 442, Imd. Eff. Oct. 19, 2006;—Am. 2008, Act 575, Eff. July 16, 2009;—Am. 2017, Act 67, Imd. Eff. June 30, 2017.

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