

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

500.1204f Long-term care insurance; requirements for sale, solicitation, or negotiation by individual; delivery or issuance by insurer; 1-time training course; requirements.

Sec. 1204f. (1) An individual shall not sell, solicit, or negotiate long-term care insurance unless the individual meets all of the following requirements:

- (a) The individual is licensed as an insurance producer for accident and health or life.
- (b) The individual has completed a 1-time long-term care training course as described in this section.
- (c) The individual completes ongoing training as described in this section for every 2-year continuing education compliance period after the completion of the 1-time long-term care training course.

(2) An insurer that delivers or issues for delivery long-term care insurance in this state shall do both of the following:

(a) Obtain verification that an insurance producer has received the training described in this section before permitting the insurance producer to sell, solicit, or negotiate the insurer's long-term care insurance products.

(b) Make the verification obtained under subdivision (a) available to the director on the director's request.

(3) An insurance producer selling, soliciting, or negotiating long-term care insurance on the effective date of the amendatory act that added chapter 39A shall not continue to sell, solicit, or negotiate long-term care insurance unless the insurance producer has completed the 1-time training course described in this section within 1 year after the effective date of the amendatory act that added chapter 39A.

(4) The 1-time long-term care training course and ongoing training required under this section may be provided in conjunction with other insurance producer training or separately. To satisfy subsection (2), an insurance producer may document to an insurer that he or she has obtained training as described in subsections (5) and (6) from a program of study approved under section 1204c.

(5) The 1-time long-term care training course required under this section must not be less than 8 hours, and the ongoing training required under this section must not be less than 4 hours for every 2-year continuing education compliance period after the completion of the 1-time long-term care training course.

(6) The 1-time long-term care training course and ongoing training required under this section must consist of topics related to long-term care insurance, long-term care services, and, if applicable, qualified state long-term care insurance partnership programs, including, but not limited to, all of the following:

(a) State and federal regulations and requirements and the relationship between qualified state long-term care insurance partnership programs and other public and private coverage of long-term care services, including Medicaid.

(b) Available long-term care services and providers.

(c) Changes or improvements in long-term care services or providers.

(d) Alternatives to the purchase of private long-term care insurance.

(e) The effect of inflation in eroding the value of benefits and the importance of inflation protection.

(f) Consumer suitability standards and guidelines.

(7) The 1-time long-term care training course and ongoing training required under this section must not include any training that is solely oriented to the sales or marketing of an insurer-specific long-term care product.

(8) Satisfying the training requirements of this section in any state satisfies the training requirements in this state.

History: Add. 2006, Act 442, Imd. Eff. Oct. 19, 2006;—Am. 2015, Act 198, Eff. Feb. 22, 2016.

Popular name: Act 218