

**STATE OF MICHIGAN
DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

Bulletin 2010-14-INS

In the matter of

**Insurance Producer Variable Life/Variable
Annuities Line of Authority**

**Issued and entered
this 14th day of June 2010
By Ken Ross
Commissioner**

This bulletin clarifies how the Office of Financial and Insurance Regulation (OFIR) processes insurance producer licensing applications for the Variable Annuities (VA) line of authority. It supersedes both Michigan Insurance Bureau Bulletin No. 1990-04, issued May 25, 1990, and Bulletin 2009-15-OFIR, issued November 17, 2009.

In Michigan variable life insurance and variable annuities are considered insurance products and regulated as such, despite their status as securities under federal law. OFIR processes all insurance producer licensing applications through the National Insurance Producer Registry (NIPR). Since April 4, 2008, the VA line of authority, which encompasses variable life and variable annuities, has been issued to insurance producers as a separate line of authority pursuant to Section 1206(1)(e) of the Insurance Code, 1956 PA 218 as amended, MCL 500.1206(1)(e). All resident and non-resident applicants for the VA line of authority must first register or be registered with the Financial Industry Regulatory Authority (FINRA), <http://www.finra.org/> (formerly known as NASD) and have successfully completed the FINRA Series 6 or 7 examination.

Any resident insurance producer seeking to hold the VA line of authority is also required to pass the Michigan variable annuities examination, but is no longer required, as previously specified in Bulletin 1990-04, to hold a basic life qualification as a precondition to seeking a VA line of authority. However, a producer who intends to sell life insurance other than variable life insurance must obtain the life line of authority in addition to the VA line of authority. OFIR does not require pre-licensing education for the VA line of authority. However, continuing education requirements under MCL 500.1204c do apply to the VA line of authority.

A non-resident insurance producer applicant, who holds a VA line of authority in his /her home state, may apply for a reciprocal Michigan VA line of authority. A non-resident insurance

producer applicant from a state that issues the life line authority only must pass the Michigan variable annuities examination, register with FINRA as specified above, and apply for a Michigan VA line of authority before selling any variable products in Michigan.

Since August 3, 2009, all resident and non-resident insurance producers have been required to take the Michigan variable annuities examination prior to receiving the VA line of authority or the insurance producer must have taken an examination in another state and maintain a reciprocal license in good standing.

Any questions regarding this bulletin should be directed to:

Office of Financial and Insurance Regulation
Licensing and Product Review Division
Insurance Licensing Section
611 West Ottawa Street
P.O. Box 30220
Lansing, Michigan 48909-7720

Toll Free: (877) 999-6442



Ken Ross
Commissioner