

**STATE OF MICHIGAN  
DEPARTMENT OF LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE SERVICES**

**Bulletin 2006-04-INS**

**In the matter of**

**Producer Continuing Education Requirements -  
Implementation of 2005 PA 247**

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**Issued and entered  
this 7th day of April 2006  
By Linda A. Watters  
Commissioner**

On December 1, 2005, Governor Granholm signed into law 2005 PA 247, effective February 1, 2006, amending subsections (4) and (11) of Section 1204c of the Insurance Code, 1956 PA 218, MCL 500.1204(c)(4)(11), to read as follows:

“(4) Except as provided in subsections (11) to (14), before the review date of each applicable 2-year period provided for under subsection (2) or (3), an insurance producer wishing to renew his or her license shall renew his or her license by attending or instructing not less than 24 hours of continuing education classes approved by the commissioner or 24 hours of home study if evidenced by successful completion of course work approved by the commissioner. Of the 24 hours of continuing education required, not less than 3 hours shall be in ethics in insurance classes or course work.”

“(11) The commissioner shall waive the continuing education requirements of this section for an insurance producer if the producer is unable to comply with the continuing education requirements of this section due to military service or if the commissioner determines that enforcement of the requirements would cause a severe hardship. The commissioner shall waive the continuing education requirements of this section for an insurance producer who is licensed to write only travel or baggage insurance policies and whose employment is for a purpose other than the sale of those policies.”

Generally, this legislation brought Michigan into conformity with National Association of Insurance Commissioners (NAIC) uniform standards for producer continuing education (CE) requirements, reduced the hours of mandatory CE from 30 to 24 hours every two years, required that three (3) of those hours be earned in an Ethics course, eliminated CE hours specifically tied to particular product lines, and granted the Commissioner

authority to waive the CE requirements for insurance producers unable to comply with the CE requirements because of military service or other severe hardship.

Despite the OFIS publication on its website – [www.michigan.gov/ofis](http://www.michigan.gov/ofis) - of the changes in the law and publication of a list of commissioner-approved ethics courses, the short lead time for these legal changes has resulted in some confusion among producers regarding their CE requirements and the submission to OFIS of renewal applications without proof of completion of the mandated three (3) hours of ethics course work.

The Commissioner is issuing this bulletin to inform producers and the industry of the most significant changes in the law and to assure an orderly implementation of the changes in producer continuing education requirements resulting from enactment of 2005 PA 247. The new requirements are:

- Effective February 1, 2006, each insurance producer renewal applicant is required to complete 24 continuing education credits every two years, at least three (3) of which must be earned in Ethics, selected from the approved Ethics courses available on the OFIS website. Education credits beyond the mandated 24 earned in other subjects cannot be substituted for the three required hours of instruction in Ethics.
- Dual-licensed individuals, i.e. those having both a Property and Casualty license and a Life and Health license are no longer required to have a specific number of hours of instruction in each product line. The Commissioner recommends that companies monitor the educational requirements of their producers to assure they have adequate instruction in the specific lines they are authorized to sell.

To implement these requirements, the Commissioner is establishing a procedure for military and hardship waivers and is granting up to a 90-day grace period as follows:

- Producers with a 2/1/06 or 3/1/06 review date who have completed 21 of the 24 total continuing education credits are granted extensions without license suspension to obtain the required three (3) credits in Ethics under the following schedule:
  - Producers with a CE review date of 2/1/06 must be compliant by 5/1/06.
  - Producers with a CE review date of 3/1/06 must be compliant by 6/1/06.
  - Producers with a CE review date of 6/1/06 must be compliant by 6/1/06.
- Producers who are unable to comply with the mandatory continuing education requirements because of military service or other severe hardship must submit to the Commissioner at the address below a written request for waiver, together with such documentation (e.g. military call notice, doctor's statement of disability) in support of the request as the Commissioner seeks, at least sixty (60) days before the date specified for review of the producer's license.

All requests for waiver and any questions regarding this bulletin should be directed to:

Office of Financial and Insurance Services  
Market Conduct Division  
611 West Ottawa Street  
P.O. Box 30220  
Lansing, Michigan 48909-7720  
Local: (517) 241-9550  
Toll Free: (877) 999-6442

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Linda A. Watters  
Commissioner of Financial and Insurance Services