STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
OFFICE OF INSURANCE LICENSING AND MARKET CONDUCT

Bulletin 2013-17-INS

In the Matter of:

Designated Responsible Licensed Producer
_____/

Issued and entered
this 24th day of September 2013
by R. Kevin Clinton
Director

This bulletin supersedes Bulletin 2010-01-INS, dated January 7, 2010.

MCL 500.1205(2)(b) requires a producer business entity applicant to identify a designated responsible licensed producer (DRLP) in order to obtain licensure. The DRLP is responsible for the business entity's compliance with state insurance laws, rules and regulations. Because the DRLP will be held responsible for the activity of the business entity (agency), it is imperative that the DRLP understand the responsibility associated with the designation and that the DRLP has sufficient authority to ensure the business entity's compliance with the state's laws, rules and regulations.

Bulletin 2010-0-INS required all licensed and applicant business entities to designate a DRLP. At that time it was required that a DRLP be designated for each line of authority that the business entity held. After review of the statutory requirements, it has been determined that a DRLP is not required to hold all of the same lines as the affiliated business entity.

Effective immediately, the DRLP must hold an active Michigan resident or non-resident producer license, but he/she is not required to hold the same line or lines of authority that the business entity holds. However, the DRLP is responsible for agency compliance regardless of the line of authority. An agency may designate one or multiple DRLPs.

When the Department of Insurance and Financial Services (DIFS) finds that an agency no longer has an active DRLP, the business entity will be sent a Notice of Opportunity to Show Compliance (NOSC) advising it has 14 calendar days within which to cure the situation by designating a replacement DRLP or by showing it has been in continuous compliance.

A DRLP may be designated by submitting to DIFS the Insurance Business Entity Affiliate Disclosure, FIS-0200 form. The FIS-0200 is located at www.michigan.gov/difs under Forms. After the designation of a replacement DRLP is received by DIFS, the business entity and the new DRLP will be notified of the recording of the new designation and an updated license will be generated and mailed to the business entity identifying the current DRLP(s).

If the business entity does not respond to the NOSC within 14 calendar days, DIFS will pursue further compliance action which may include a fine and revocation of the agency license.

Any questions regarding this bulletin should be directed to:

Department of Insurance and Financial Services
Office of Licensing and Market Conduct
Insurance Licensing Section
611 West Ottawa Street
P.O. Box 30220
Lansing, MI 48909-7720
Toll Free: (877) 999-6442