



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
OFFICE OF FINANCIAL AND INSURANCE SERVICES
DEPARTMENT OF LABOR & ECONOMIC GROWTH
ROBERT W. SWANSON, DIRECTOR

LINDA A. WATTERS
COMMISSIONER

Memorandum

DATE: October 6, 2006
TO: Continuing Education Providers
FROM: Tracy Lord Bishop
SUBJECT: Michigan Ethics CE Guidelines

Public Act 247 of 2005 required that Michigan resident producers complete a total of twenty-four (24) hours of continuing education (CE) every two years. A minimum of three (3) hours of the twenty-four (24) hours of CE credits must be completed in ethics. This change took effect on February 1, 2006.

To be approved, an ethics course must reinforce a producer's ethical competence, must contribute to a producer's understanding of the complexities of ethical decision-making in the insurance industry, and must provide tools to help an insurance professional identify, prevent and constructively resolve ethical dilemmas.

As you determine if your course(s) would meet this new requirement, please keep the following questions in mind:

1. Does this course contribute to a producer's understanding of his/her ethical responsibilities?
2. Does the course give examples of "good" licensee conduct, as well as examples of "bad" licensee conduct?
3. Does this course contribute to a producer's understanding of the complexities of ethical decision-making within the context of insurance transactions?
4. Does the coursework describe where a producer may find tools that are provided to help the agent identify, prevent, and resolve ethical dilemmas that arise in the course of conducting insurance business?
5. How will the content of this course contribute to the producers understanding of proper vs. improper, honest vs. dishonest behavior?
6. Does this course demonstrate to whom the licensee "owes" an ethical responsibility and how this will help the licensee understand his or her ethical responsibilities to such an entity?
7. How will this course help the licensee distinguish between legal and ethical behavior and legal but unethical behavior?

Ethics courses may include, but not be limited to, subjects as follows:

- Anti-money laundering
- Competence
- Compliance with state and federal laws and regulations
- Consumer protection
- Credit scoring
- Defamation of a competitor
- Disclosure
- Fair claims practices
- Fair sales practices (misrepresenting your product)
- Fair trade practices
- Fair underwriting practices
- Fiduciary duties (financial irresponsibility)
- Fraud awareness
- Honesty (dishonest practices and untrustworthiness)
- Integrity
- License suspension, revocation, or denial
- Loyalty
- Market conduct
- Premium fund trust accounts and the problem of commingling
- Privacy
- Product suitability