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May 21, 2009

To: Registered Michigan Prelicensing Education Providers and Insurers

From: Sonya W. Dungey
Director of Insurance Licensing

Subject: Legislative Changes Affecting Prelicensure Education Effective July 16, 2009

The purpose of this communication is to advise Michigan registered prelicensing education (PE) providers and insurers of the amendments to Sections 500.1204 (2) and 500.1204a of the Insurance Code, 1956 PA 218, MCL 500.1204 and 500.1204a.

Public Act 575 of 2008 provides for the following changes in the instruction that a registered insurance agent program of study must provide and will become **effective July 16, 2009**.

- Twenty (20) hours of instruction for Life insurance producers; 14 hours on the principles of life insurance and 6 hours on professional ethics and the requirements of the insurance laws of Michigan
- Twenty (20) hours of instruction for Health insurance producers; 14 hours on the principles of health insurance and 6 hours on professional ethics and the requirements of the insurance laws of Michigan
- Twenty (20) hours of instruction for Property insurance producers and solicitors; 14 hours on the principles of property insurance and 6 hours on professional ethics and the requirements of the insurance laws of Michigan
- Twenty (20) hours of instruction for Casualty insurance producers and solicitors; 14 hours on the principles of liability insurance and 6 hours on professional ethics and the requirements of the insurance laws of Michigan
- Twenty (20) hours of instruction for Personal Lines producers; 14 hours on the principles of property and liability insurance and 6 hours on professional ethics and the requirements of the insurance laws of Michigan

- Forty (40) hours of instruction for a combined program of study for Life and Health insurance producers; 34 hours on the principles of life and health insurance and 6 hours on professional ethics and the requirements of the insurance laws of Michigan
- Forty (40) hours of instruction for a combined program of study for Property and Casualty producers and solicitors – a program of study completed under this subsection satisfies the program of study requirements for Personal Lines producers and solicitors; 34 hours of the principles of property and liability insurance and 6 hours on professional ethics and the requirements of the insurance laws of Michigan

Public Act 576 of 2008 provides for the following changes that will become **effective July 16, 2009**:

- The examination for an insurance producer's license will require an applicant to have completed a course of study within 12 months, rather than 6 months, before applying for examination.
- Allow the program of study requirements to be waived for people who've obtained various types of designations, in addition to those currently listed, such as: Chartered Property and Casualty Underwriter (CPCU), Chartered Life Underwriter (CLU), Certified Insurance Counselor (CIC), Accredited Advisor in Insurance (AAI), Chartered Financial Consultant (ChFC), Certified Employee Benefit Specialist (CEBS), Certified Financial Planner (CFP), Fellow Life Management Institute (FLMI), Life Underwriting Training Council Fellow (LUTCF), Registered Health Underwriter (RHU), Registered Employee Benefits Consultant (REBC), Health Insurance Associate (HIA) and Associate in Risk Management (ARM).

What This Means to Candidates

- Candidates with PE completion certificates that have course completion dates prior to July 16, 2009 must pass their respective examination by January 15, 2010. If the examination is not passed by January 15, 2010, a new PE program of study must be completed and passed and a new PE completion certificate issued.
- Candidates with PE completion certificates that have course completion dates of July 16, 2009 and after will have a 12-month expiration date from the date of course completion. The respective examination must be passed by the expiration date on the completion certificate, otherwise a new PE program of study must be completed and passed and a new PE completion certificate issued.

What This Means to PE Providers

- The Office of Financial and Insurance Regulation (OFIR) highly recommends that providers send a notification regarding the PE certificate changes to affected candidates that completed self-study or online PE programs of study.
- OFIR highly recommends that providers inform future PE candidates of the PE certificate changes for all classroom and self-study or online PE courses.
- OFIR highly recommends that the Life/Accident & Health and or Property/Casualty combo classroom programs of study be implemented at the beginning of the week of July 13, 2009.
- An updated FIS 0409 (Application for Insurance Prelicensing Education Provider/Course Approval) is available on our website.
- All PE providers are required to submit a new FIS 0409 and a new timed outline for all PE classroom courses that are currently approved, if they wish to use the course after July 16, 2009. Upon receipt and approval of the FIS 0409 and the new time outline, OFIR will issue a new course ID number to be used after July 16, 2009. OFIR anticipates a short turn-around time for courses that are currently approved but require approval of the new timed outline. Please note, when submitting the new timed outline, course approval will be delayed if you are also submitting changes to the course content. OFIR does not anticipate changes with currently approved self-study or online PE courses other than assigning new course ID numbers and sending each provider new registration certificates.

Additional details will be available under Spotlight on the OFIR Licensing website or you may contact our office toll-free at 877-999-6442.