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

Bulletin 2006-9-INS

In the matter of

Active Resident Producer and Solicitor Continuing Education Requirements - Implementation of 2005 PA 247
_____/

Issued and entered
this 16th day of August 2006
By Linda A. Watters
Commissioner

This bulletin supersedes Bulletin 2006-04 INS. It clarifies the continuing education requirements applicable to insurance producers and solicitors (hereafter "producers") with a review date of February 1, 2006 and extends the limited grace periods for compliance with the requirement for three hours of ethics credits set forth in Bulletin 2006-04-INS. The procedure for requesting a military or other hardship waiver is set forth at the end of this bulletin.

On December 1, 2005, Governor Granholm signed into law 2005 PA 247, effective February 1, 2006. 2005 PA 247 brought Michigan into conformity with National Association of Insurance Commissioners (NAIC) uniform standards for producer continuing education (CE) requirements by changing MCL 500.1204c(4) to reduce the hours of mandatory CE from 30 to 24 hours every two years, to add a requirement that three of those hours be earned in an approved ethics course, and to eliminate CE hours specifically tied to particular lines of authority. Education credits beyond the mandated 24 earned in other subjects cannot be substituted for the three required hours of instruction in ethics. 2005 PA 247 also changed MCL 500.1204c(11) to require, rather than to allow, the Commissioner to waive the CE requirements for insurance producers unable to comply with CE requirements because of military service.

OFIS posted the changes in the law and a list of approved ethics courses on its website - www.michigan.gov/ofis - and issued Bulletin 2006-04-INS which described the new requirements and granted producers with certain review dates a grace period in which to comply with new requirements in 2005 PA 247. Despite these efforts, many Michigan insurance producers did not comply with the requirement to take three hours of ethics credits by their CE review date. Some of these producers had satisfied the CE requirements in place before 2005 PA 247 became law and believed that was sufficient. Others may not have been aware of the new requirement for ethics credit soon enough to satisfy it before their review dates.

Therefore, the Commissioner has determined that strict enforcement of the new CE statute would impose an undue hardship on producers whose review dates have passed or whose review dates will pass before there has been an adequate opportunity for them to become compliant with the current CE statute and is taking the following actions:

- Those producers with a 2/1/06 review date are recognized to be compliant with CE requirements if:

  By 2/1/06 they had 30 credits of approved CE courses with at least 15 credits in their line of authority
  OR
  By 7/1/06 they had 24 credits of approved CE courses with a least 3 credits in ethics.

- Those producers with CE review dates of 2/1/06, 3/1/06, 6/1/06, 7/1/06 who have earned a minimum of 24 total CE credits by 7/1/06 but have not satisfied the ethics requirement by that date are granted an additional grace period, until 11/1/06, to complete the ethics credit requirement.

- Those producers with CE review dates of 8/1/06, 9/1/06, 10/1/06, and 11/1/06 who have earned a minimum of 24 total CE credits by their review dates are granted a grace period until 12/1/06 to complete the ethics credit requirement.

- Producers with review dates of 12/1/06 and beyond are required to comply with all provisions of MCL 500.1204c, including the ethics credit requirement, by the scheduled date of their review.

Producers who are unable to comply with the mandatory continuing education requirements because of military service should submit to the Commissioner a written request for waiver, along with a copy of their military call notice. Producers seeking a waiver of continuing education requirements due to severe hardship should submit to the Commissioner, before their CE review date, a written request for waiver, along with documentation of the hardship (e.g., death certificate of immediate family member, current doctor's statement of disability, etc.) All requests for CE waivers and any questions regarding this bulletin should be directed to:

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