



2014 Best Practices in Insurance Licensing Forum Recap

In an effort to keep the insurance agent community updated on the latest licensing information and encourage open lines of communication, the Department of Insurance and Financial Services (DIFS) held its *2014 Best Practices in Insurance Licensing Forum* on April 24, 2014, at Lansing Community College's West Campus in Lansing.

The forum is hosted by DIFS on a semi-annual basis to provide relevant information for insurance industry professionals who interact with the department, specifically the Office of Insurance Licensing and Market Conduct. In addition to insurance agents, the more than 100 in attendance included representatives from insurance carriers, licensing coordinators, and insurance education providers.

The DIFS leadership team is committed to making the forum a successful and meaningful event, as evidenced by the attendance of Director Ann Flood, Chief Deputy Director Teri Morante, Senior Deputy Director Rhonda Fossitt, Director of the Office of Insurance Licensing and Market Conduct Jean Boven, the entire Insurance Licensing staff, and members of the Market Conduct staff.

Busy schedules and geographic factors make it understandably difficult for all agents to attend. For those unable to attend the 2014 forum, the information below provides a brief overview of what was covered. Additional information on each topic, including the PowerPoint presentations from each speaker, is available on the DIFS website at www.michigan.gov/difs.

The forum was kicked off by Director Flood who spoke briefly about the mission of DIFS and the goal to further economic growth within the insurance and financial service industries.

Next on the agenda was Jenita Moore, DIFS Policy and Legislation Senior Advisor. She provided an update on legislation affecting the insurance industry, including:

- SB 418: A bill to amend the Michigan Insurance Code to exempt a person who sells travel insurance from being licensed as a producer.
- SB 715: This bill would add Chapter 22A to the Insurance Code and would define "certificate of insurance" as a document that is prepared by an insurer or insurance producer that is a statement or summary of an insured coverage regardless of how it's titled or described. This bill would prohibit a person from: a) issuing a certificate of insurance that would alter, amend, or

- extend the coverage provided by an insurance policy referred to in the certificate; b) issuing a certificate that contained false or misleading information concerning an insurance policy; or c) demanding or requiring the issuance of a certificate from an insurer, insurance producer, or policyholder that contained false or misleading information concerning an insurance policy referred to in the certificate.
- HB 4467: This bill was approved by the Governor on April 7, 2014 and became effective April 10, 2014 as Public Act 110 of 2014. This bill amended the Insurance Code and specifies that a service contract is not insurance or the business of insurance and is not subject to the Code. The Act defined “service contract” as a written contract that is sold for stated consideration for a specific duration based on certain criteria.

Further information about these pieces of legislation or others concerning the insurance industry can be found on the Michigan Legislature web site at www.legislature.mi.gov, or by contacting your local representative.

A review of the Affordable Care Act and how it will continue to impact the health insurance industry was discussed by Karin Gyger, DIFS’ ACA Ombudsman, followed by an overview of the complaint and investigation process by Kristie Taber, a manager in the Office of Consumer Services. Deb Canja, Deputy General Counsel in the Office of General Counsel, discussed hot topics in licensing enforcement such as the use of criminal convictions in license denials, felony set-asides, 1033 waivers, material misdemeanors, failure to respond, and disclosure of confidential information.

In the afternoon, presentations were conducted by the staff of the Office of Insurance Licensing and Market Conduct, which is the area of DIFS that most interacts with insurance agents. Topics ranged from insurance agency best practices to an overview of reporting and terminations. The presentations concluded with an overview of the examination development process by DIFS’ education vendor PSI Services LLC.

One of the most beneficial aspects of the forum were the break-out sessions held after the formal presentations were completed. Unlike traditional break-outs, these sessions allowed attendees to interact with DIFS staff and the examination vendor to seek answers to any questions that were not covered during the event. The categories for the break-out session tables were individual licensing, agency licensing, market conduct, title, education and examination.

The 2014 forum provided a wealth of information for those in attendance and was a great venue for regulators and industry professionals to come together. Anyone with questions about the topics covered at the forum, or anything not covered, can contact DIFS toll free at 877-999-6442.