

**DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES**

**INSURANCE BUREAU**

**PRE-LICENSURE EDUCATION REQUIREMENTS**

(By authority conferred on the commissioner of insurance by sections 210 and 1204a of Act No. 218 of the Public Acts of 1956, as amended, being SS500.210 and 500.1204a of the Michigan Compiled Laws)

**R 500.1 Definitions.**

Rule 1. As used in these rules:

(a) "Code" means Act No. 218 of the Public Acts of 1956, as amended, being S500.100 et seq. of the Michigan Compiled Laws.

(b) "Council" means the agent education advisory council as created by section 1204b(1) of the code.

(c) "Instructor" means the person responsible for the conduct of instruction of the program. The term does not mean a person who is retained to teach a portion of a program as a guest speaker or lecturer.

History: 1988 AACS.

**R 500.2 Program review and registration.**

Rule 2. (1) For a program to be registered as an insurance agent/solicitor program of study, program course materials and examinations and resumes of instructors shall be submitted in their entirety to the council for review. The council will recommend to the commissioner of insurance those courses which are found to meet the standards set forth in these rules for registration as qualified insurance agent/solicitor program courses.

(2) Any change in course material or instructors after approval is granted shall also be submitted to the council not less than 2 weeks before implementation.

(3) The council may, at any time, request a review of any and all materials, classrooms, and instructors.

History: 1988 AACS.

**R 500.3 Property and casualty insurance agents; curriculum requirements.**

Rule 3. To qualify as a registered insurance agent/solicitor program of study on the subjects of property and casualty insurance, a classroom instruction or home study course shall provide for a minimum of 40 hours of study. These 40 hours shall include all of the following areas, but may be taught in any order or combination the instructor chooses:

(a) Twelve hours on the principles of property insurance, including the following subjects and their definitions, characteristics, and application:

- (i) Michigan standard fire policy.
- (ii) General property form.
- (iii) Home insurance.
- (iv) Personal and commercial automobile insurance.
- (v) Inland marine insurance.
- (vi) Commercial package policies.
- (vii) Boiler and machinery insurance.
- (viii) Rates and rate changes, including coinsurance.
- (ix) Business interruption insurance.

(b) Six hours on professional ethics and the requirements of the insurance laws of Michigan, including, but not limited to, the following chapters of the Michigan insurance code:

- (i) Chapter 12 of the code, being S500.1200 et seq. of the Michigan Compiled Laws.
- (ii) Chapter 20 of the code, being S500.2001 et seq. of the Michigan Compiled Laws.
- (iii) Chapter 21 of the code, being S500.2101 et seq. of the Michigan Compiled Laws.
- (iv) Chapter 31 of the code, being S500.3101 et seq. of the Michigan Compiled Laws.

(c) Twenty-two hours on the principles of liability insurance, including the following subjects and their definitions, characteristics, and application:

- (i) Basic principles of liability.
- (ii) On-premises insurance.
- (iii) Off-premises insurance.
- (iv) Products and completed operations insurance.
- (v) Contractual liability insurance.
- (vi) Comprehensive general liability insurance.
- (vii) Personal liability insurance as contained in home, auto, and personal umbrella policies.

- (viii) Workers' compensation insurance.

History: 1988 AACCS.

#### **R 500.4 Life and health agents; curriculum requirements.**

Rule 4. (1) To qualify as a registered insurance agent/solicitor program of study on the subject of health insurance, the classroom instruction or home study course shall provide for a minimum of 20 hours of study. These 20 hours shall include all of the following areas, but may be taught in any order the instructor chooses:

(a) Fourteen hours on the principles of health insurance, including, but not limited to, the following subjects and their definitions, characteristics, and application:

- (i) Loss of time or disability policies.
- (ii) Expense incurred policies.
- (iii) Accidental death and dismemberment policies.
- (iv) Hospital indemnity policies.
- (v) Medicare supplement policies.
- (vi) Dread disease policies.
- (vii) Long-term care policies.
- (viii) Group health insurance policies.
- (ix) Major medical policies.

(x) Excess loss policies.

(xi) Blanket disability policies.

(b) Six hours on professional ethics and the requirements of the insurance laws of Michigan, including, but not limited to, all of the following chapters and subjects:

(i) Chapter 12 of the code, being S500.1200 et seq. of the Michigan Compiled Laws.

(ii) Chapter 20 of the code, being S500.2001 et seq. of the Michigan Compiled Laws.

(iii) Chapter 34 of the code, being S500.3400 et seq. of the Michigan Compiled Laws.

(iv) Chapter 36 of the code, being S500.3600 et seq. of the Michigan Compiled Laws.

(v) R 500.651 to R 500.669 of the Michigan Administrative Code.

(vi) The definitions and characteristics of all of the following:

(A) Consolidated omnibus budget reconciliation act (Title X of COBRA, 29 U.S.C. S10001 et seq.).

(B) Third-party administrators.

(C) Multiple employer welfare arrangements.

(D) Administrative services only contracts.

(E) Coordination of benefits.

(2) To qualify as a registered insurance agent/solicitor program of study on the subject of life insurance, the classroom instruction or home study course shall provide for a minimum of 26 hours of study. These 26 hours shall include all of the following areas, but may be taught in any order the instructor chooses:

(a) Twenty hours on the principles of life insurance, including, but not limited to, all of the following subjects and their definitions, characteristics, and application:

(i) All of the following types of policies and principal policy provisions:

(A) Term life policies.

(B) Whole life policies.

(C) Endowment policies.

(D) Universal life policies.

(E) Variable life policies.

(ii) Annuities.

(iii) Premiums and dividends.

(iv) Group life insurance.

(b) Six hours on professional ethics and the requirements of the insurance laws of Michigan, including, but not limited to, all of the following chapters and subjects:

(i) Chapter 12 of the code, being S500.1200 et seq. of the Michigan Compiled Laws.

(ii) Chapter 20 of the code, being S500.2001 et seq. of the Michigan Compiled Laws.

(iii) Chapter 40 of the code, being S500.4000 et seq. of the Michigan Compiled Laws.

(iv) Chapter 44 of the code, being S500.4400 et seq. of the Michigan Compiled Laws.

(v) R 500.1371 to R 500.1387 of the Michigan Administrative Code.

(3) To qualify as a registered insurance agent/solicitor program of study on the subjects of life and health insurance, the classroom instruction or home study course shall provide for a minimum of 40 hours of study. These 40 hours shall include, but not be limited to, all of the following:

(a) Fourteen hours on the principles of health insurance as required by subrule (1)(a) of this rule.

(b) Twenty hours on the principles of life insurance as required by subrule (2)(a) of this rule.

(c) Six hours on professional ethics and the requirements of the insurance laws of Michigan as required by subrules (1)(b) and (2)(b) of this rule.

History: 1988 AACCS.

**R 500.5 Home-study courses.**

Rule 5. (1) For home-study courses, contact between the instructor and student shall be maintained through homework and examination. For life/health courses, the homework or examination shall cover the subjects and chapters of law specified in R 500.4. For property/casualty courses, the homework or examination shall cover subjects and chapters of law specified in R 500.3.

(2) Records of response from students shall be maintained by the instructor for a period of 1 year.

History: 1988 AACCS.

**R 500.6 Instructor requirements.**

Rule 6. (1) To qualify as an instructor of a registered insurance agent/solicitor program of study, a person shall possess at least 1 of the following:

- (a) Three years of experience in the line of insurance which is to be taught.
- (b) Three years of experience in teaching.
- (c) Three years of experience in insurance and teaching combined.

History: 1988 AACCS; 1997 AACCS.