

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.4160 Sale of annuities; completion of annuity training course; requirements.

Sec. 4160.

(1) A producer shall not solicit the sale of an annuity unless the producer has adequate knowledge of the product to recommend the annuity and the producer is in compliance with the insurer's standards for product training. A producer may rely on insurer-provided product-specific training standards and materials to comply with this subsection.

(2) A producer who engages in the sale of annuities shall complete a 1-time 4-credit training course approved by the director and provided by an insurance producer program of study registered under chapter 12. Insurance producers who hold a life insurance line of authority on June 1, 2013 and who desire to sell annuities shall complete the requirements of this subsection by December 1, 2013. Individuals who obtain a life insurance line of authority after May 31, 2013 shall not engage in the sale of annuities until the annuity training course required under this subsection has been completed.

(3) The minimum length of the training required under subsection (2) must be not less than 4 hours, as defined in section 1204c, and may be longer.

(4) The training required under subsection (2) must include information on all of the following:

- (a) The types of annuities and various classifications of annuities.
- (b) Identification of the parties to an annuity.
- (c) How fixed, variable, and indexed annuity contract provisions affect consumers.
- (d) The income taxation of qualified and nonqualified annuities.
- (e) The primary uses of annuities.
- (f) Appropriate standard of conduct, sales practices, and replacement and disclosure requirements.

(5) Registered insurance producer programs of study must cover all topics under subsection (4) and must not present any marketing information or provide training on sales techniques or provide specific information about a particular insurer's products. Additional topics may be offered in conjunction with and in addition to the topics under subsection (4).

(6) A provider of an annuity training course intended to comply with this section shall register with the director as a continuing education provider in this state and comply with any requirements of the director applicable to insurance producer continuing education.

(7) A producer who has completed an annuity training course approved by the director before the effective date of the 2020 amendatory act that amended this section shall, within 6 months after the effective date of the 2020 amendatory act that amended this section, complete either of the following:

(a) A new 4-credit training course approved by the director after the effective date of the 2020 amendatory act that amended this section.

(b) An additional 1-time 1-credit training course approved by the director and provided by the department-approved education provider on appropriate sales practices, replacement, and disclosure requirements under this chapter.

(8) Annuity training courses may be conducted and completed by classroom or self-study methods in accordance with requirements of the director.

(9) Providers of annuity training shall comply with any reporting requirements imposed by the director and shall issue certificates of completion in accordance with any requirements of the director.

(10) The satisfaction of the training requirements of another state that the director determines to be substantially similar to this section satisfies the training requirements of this section.

(11) The satisfaction of the components of the training requirements of any course or courses with components substantially similar to this section satisfies the training requirements of this section.

(12) An insurer shall verify that an insurance producer has completed the annuity training course required under this section before allowing the producer to sell an annuity for that insurer. An insurer may satisfy its responsibility under this section by obtaining certificates of completion of the training course or obtaining reports provided by director-sponsored database systems or vendors or from a reasonably reliable commercial database vendor that has a reporting arrangement with a registered insurance producer program of study.

History: Add. 2012, Act 544, Eff. June 1, 2013 ;-- Am. 2020, Act 266, Eff. June 29, 2021

