

MICHIGAN COMMENTS 4.26.19

Greg,

We have reviewed Chapters 1-5. The only question I really have is about the PLMA Implementation FAQ, Q#12 and the corresponding answer. This is in regard to a producer changing home states without the loss of his or her license. I have included questions 10 and 11 as they lead into 12 (below).

I am not familiar with notifying the home state of the intent to change address and apply for a resident license in the new home state, nor the prior home state regulator sending a report of “active with notice of transfer of residency to [the new home state]”. Do most states follow this? Is it possible Michigan just didn’t adopt this practice?

Question 10: What process is to be followed by a producer in identifying a new “home state” without the loss of his or her license to do business in the prior home state?

Answer 10: The producer should notify the prior home state of his or her change of address and intent to apply for a resident license in the new home state. The producer must apply for resident license in his or her new home state. Pursuant to Section 9 of the PLMA, the producer or applicant is not required to complete any prelicensing education or examination in order to secure the new resident license.

Question 11: What process is to be followed by the new home state insurance regulator with regard to a producer changing his or her state of residency?

Answer 11: The new home state should process the producer’s application, issue a resident license if warranted and, if issued, notify the SPLD of the producer’s new status as a resident licensee.

Question 12: What is the process to be followed by the prior home state insurance regulator?

Answer 12: At the time the producer notifies the prior home state insurance regulator of a change of address, the prior home state insurance regulator should send to the SPLD a report of “active with notice of transfer of residency to [the new home state],” identifying the new state of residency. Upon PDB notification of the new resident state licensure, the prior home state resident license is replaced with a nonresident license for the duration of its term. It is noted that time frames for notice to the states of a change in address are stated in the PLMA.

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