

Act No. 57  
Public Acts of 1991  
Approved by the Governor  
June 27, 1991  
Filed with the Secretary of State  
June 27, 1991

**STATE OF MICHIGAN  
86TH LEGISLATURE  
REGULAR SESSION OF 1991**

Introduced by Reps. Brown and Hoekman

# **ENROLLED HOUSE BILL No. 4770**

AN ACT to amend section 1403 of Act No. 218 of the Public Acts of 1956, entitled as amended "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to repeal certain acts and parts of acts; to repeal certain acts and parts of acts on specific dates; to repeal certain parts of this act on specific dates; and to provide penalties for the violation of this act," as added by Act No. 350 of the Public Acts of 1990, being section 500.1403 of the Michigan Compiled Laws.

*The People of the State of Michigan enact:*

Section 1. Section 1403 of Act No. 218 of the Public Acts of 1956, as added by Act No. 350 of the Public Acts of 1990, being section 500.1403 of the Michigan Compiled Laws, is amended to read as follows:

Sec. 1403. For the purposes of the chapter, the following persons are not considered managing general agents:

- (a) An employee of the insurer.
- (b) A United States manager of the United States branch of an alien insurer.
- (c) An underwriting manager who pursuant to contract manages all the insurer's insurance operations, is under common control with the insurer, is subject to chapter 13, and whose compensation is not based on the volume of premiums written.
- (d) An attorney-in-fact for a reciprocal or inter-insurance exchange.

Section 2. This amendatory act shall take effect June 1, 1991.

This act is ordered to take immediate effect.

.....  
Clerk of the House of Representatives.

.....  
Secretary of the Senate.

Approved .....

.....  
Governor.