



**Senate Fiscal Agency**  
**P. O. Box 30036**  
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**BILL ANALYSIS**



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Senate Bill 1165 (as reported without amendment)  
 Sponsor: Senator Jim Berryman  
 Committee: Financial Services

Date Completed: 10-1-96

**RATIONALE**

The Insurance Code requires that an agent pay to the Insurance Bureau a \$3 fee when filing a change of address notification and a \$2 fee for a certification of records. The Insurance Bureau reports that it receives about 20,000 requests for these services annually and that Bureau staff spend considerable time ensuring that payments match requests. Some people believe that having separate fees for these services actually creates additional work for the Bureau. The Insurance Bureau has suggested that the elimination of these fees, together with an increase in the general licensing fee, would streamline the Bureau's activities while covering the costs of providing the services.

**CONTENT**

**The bill would amend the Insurance Code to increase an application fee and delete two other fee requirements.**

The \$10 fee required to be paid to the Insurance Commissioner for application for a license as a resident agent, nonresident agent, surplus lines agent, solicitor, counselor, or adjuster, would be increased to \$15.

The bill would delete both the \$2 fee required to be paid to the Commissioner for certification of records and the \$3 fee that must accompany an agent's, solicitor's, counselor's, or adjuster's change of address notification. The bill would retain the requirement that an agent, solicitor, counselor, or adjuster notify the Commissioner of a change of address within 30 days of the change, but would delete the required fee and a requirement that the fee be turned over to the State Treasurer and credited to the State's General Fund.

MCL 500.240 & 500.1238

**ARGUMENTS**

*(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)*

**Supporting Argument**

The Insurance Bureau receives 16,000 to 20,000 applications for licensure each year and, at \$10, Michigan's licensing fee apparently is among the lowest in the nation. By increasing the fee to \$15, the bill would enable the Bureau to offset any revenue lost by the elimination of the fees for change of address and certification. Without the change-of-address and certification fees, Bureau personnel could focus their efforts more toward providing the services to licensed agents and would not have to use resources simply to reconcile fee payments with agents' requests.

Legislative Analyst: P. Affholter

**FISCAL IMPACT**

This bill would increase the application fee from \$10 to \$15, while also eliminating the \$3 change of address fee and the \$2 certification of records fee. The Department of Consumer and Industry Services estimates that the increased revenue from the application fee would adequately cover the loss of revenue from the elimination of the other two fees, while also eliminating some administrative procedures that were required to match the smaller fees with the requests. This bill would have no net fiscal impact.

Fiscal Analyst: M. Tyszkiewicz

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.