

**SUBSTITUTE FOR
HOUSE BILL NO. 5606**

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 1224 (MCL 500.1224), as amended by 1981 PA
1.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1224. (1) An application for a license to act as an
2 adjuster shall be made to the commissioner on forms prescribed by
3 the commissioner.

4 (2) Within a reasonable time after receipt of a properly
5 completed application form, the commissioner may subject the
6 applicant to a written examination, and may conduct investiga-
7 tions and propound interrogatories concerning the applicant's
8 qualifications, residence, business affiliations, and any other
9 matter ~~which~~ THAT the commissioner considers necessary or
10 advisable to determine compliance with this chapter, or for the

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1 protection of the public. The commissioner shall make a decision
2 on the application within 60 days after receipt of a properly
3 completed application form.

4 (3) After examination, investigation, and interrogatories,
5 the commissioner shall issue a license to an applicant if the
6 commissioner determines that the applicant possesses reasonable
7 understanding of the provisions, terms, and conditions of the
8 insurance with which the applicant will deal, possesses reason-
9 able understanding of the insurance laws of this state, intends
10 in good faith to act as an adjuster, possesses a good business
11 reputation, and possesses good moral character to act as an
12 adjuster. Persons currently licensed and new licenses issued
13 ~~shall be~~ ARE subject to any additional restrictions under which
14 a resident of this state would be licensed in the jurisdiction in
15 which the applicant resides. Any such restriction shall be
16 imposed by the commissioner upon the date set for payment of the
17 license fee. The commissioner shall not issue a new license or
18 accept an annual license fee continuing a current license to ~~a~~
19 EITHER OF THE FOLLOWING:

20 (A) A person residing in a state that denies a comparable
21 license to a resident of this state solely because of residency.

22 (B) A PERSON WHO IS EMPLOYED EITHER DIRECTLY OR INDIRECTLY
23 BY AN ADJUSTER THAT IS A RESIDENT OF A STATE, OR BY AN ADJUSTER'S
24 BUSINESS THAT HAS A MAJORITY OF SHAREHOLDERS, MEMBERS, OFFICERS,
25 DIRECTORS, OR OWNERS THAT ARE RESIDENTS OF A STATE, THAT DENIES A
26 COMPARABLE LICENSE TO A RESIDENT OF THIS STATE SOLELY BECAUSE OF
27 RESIDENCY. AN AFFIDAVIT FROM AN APPLICANT ESTABLISHING

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1 COMPLIANCE WITH THIS SUBDIVISION MAY BE RELIED ON BY THE
2 COMMISSIONER TO SHOW COMPLIANCE WITH THIS SUBDIVISION.

3 (4) The commissioner shall not issue a license to act as an
4 adjuster to a person who is employed by, owns stock in, is an
5 officer or director of, or in any other manner is connected with,
6 a fire repair contractor.