

# Legislative Analysis

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## INSURANCE PRODUCER ADMINISTRATIVE FEES

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**House Bill 6098**

**Sponsor: Rep. Joe Hune**

**Committee: Insurance**

**Complete to 6-21-06**

## A SUMMARY OF HOUSE BILL 6098 AS INTRODUCED 5-18-06

The bill would amend the Insurance Code to allow an insurance producer to charge an administrative fee for rendering services associated with an insurance policy in certain circumstances. Fees could be charged if 1) the amount charged is reasonably related to recouping the administrative overhead associated with providing the service, and 2) the producer provides a schedule of fees upon request.

The code defines “insurance producer” to mean a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance. (Section 1201)

Administrative fees could not be charged for 1) services performed with the initial issuance of an insurance policy, or 2) services performed for the first time for a person for documentation related to an insurance policy.

MCL 500.1241

## FISCAL IMPACT:

There is no fiscal impact on the State of Michigan or its local units of government.

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