

# HOUSE BILL No. 6098

May 18, 2006, Introduced by Reps. Hune, Gaffney, Mortimer and Farrah and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 1241.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 1241. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2),  
2        AN INSURANCE PRODUCER MAY CHARGE AN ADMINISTRATIVE FEE FOR  
3        RENDERING SERVICES ASSOCIATED WITH A POLICY OF INSURANCE IF ALL OF  
4        THE FOLLOWING ARE MET:

5        (A) THE AMOUNT CHARGED IS REASONABLY RELATED TO RECOUPING THE  
6        ADMINISTRATIVE OVERHEAD ASSOCIATED WITH PROVIDING THE SERVICE.

7        (B) THE INSURANCE PRODUCER PROVIDES A SCHEDULE OF THE  
8        ADMINISTRATIVE FEES UPON REQUEST.

9        (2) AN INSURANCE PRODUCER SHALL NOT CHARGE AN ADMINISTRATIVE

1 FEE UNDER THIS SECTION FOR THE FOLLOWING:

2 (A) SERVICES PERFORMED WITH THE INITIAL ISSUANCE OF A POLICY  
3 OF INSURANCE.

4 (B) SERVICES PERFORMED FOR THE FIRST TIME FOR A PERSON FOR  
5 DOCUMENTATION RELATED TO A POLICY OF INSURANCE.