



Senate Fiscal Agency  
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BILL ANALYSIS

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Senate Bill 1344 (as reported without amendment)  
Sponsor: Senator Alan Sanborn  
Committee: Economic Development and Regulatory Reform

### **CONTENT**

The bill would amend the Insurance Code to prohibit the approval of an individual's or business's application for an insurance producer license if the person or business committed an act listed in the Code, rather than an act that is grounds for denial, suspension, or revocation of a license.

Under the Code, an application for an insurance producer license may not be approved unless the Commissioner of Financial and Insurance Regulation finds that the individual or business meets certain requirements, including that the applicant has not committed any act that is a ground for denial, suspension, or revocation under Section 1239 of the Code. The bill instead would refer to any act listed in Section 1239(1).

(Under Section 1239(1), the Commissioner may place on probation, suspend, revoke, or refuse to issue an insurance producer's license or levy a civil fine for any of the following:

- Providing incorrect, misleading, incomplete, or untrue information in the application.
- Violating any insurance laws or any regulation, subpoena, or order of the Commissioner.
- Obtaining or attempting to obtain a license through misrepresentation or fraud.
- Improperly withholding, misappropriating, or converting any money or property received in the course of doing insurance business.
- Intentionally misrepresenting the terms of an insurance contract or application.
- Having been convicted of a felony.
- Having committed any insurance unfair trade practice or fraud.
- Using fraudulent, coercive, or dishonest practices or demonstrating incompetence, untrustworthiness, or financial irresponsibility in the conduct of business.
- Having an insurance producer license or its equivalent denied, suspended, or revoked in any other state, province, district, or territory.
- Forging another's name to an application for insurance or any related document.
- Improperly using any reference material to complete an exam for an insurance license.
- Knowingly accepting insurance business from an individual who is not licensed.
- Failing to comply with a child support order.
- Failing to pay the Michigan business tax or comply with an order directing payment.)

MCL 500.1205

Legislative Analyst: Patrick Affholter

### **FISCAL IMPACT**

The bill would have no fiscal impact on State or local government.

Date Completed: 6-12-08

Fiscal Analyst: Elizabeth Pratt/Maria Tyszkiewicz