

# HOUSE BILL No. 5149

June 25, 2009, Introduced by Rep. Ebli 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 2035a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 2035A. (1) THE INSURANCE WHISTLEBLOWER PROTECTION FUND IS  
2           CREATED WITHIN THE STATE TREASURY.

3           (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM  
4           ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL  
5           DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT  
6           TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

7           (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR SHALL  
8           REMAIN IN THE FUND AND SHALL NOT LAPSE TO THE GENERAL FUND.

9           (4) THE OFFICE OF FINANCIAL AND INSURANCE REGULATION SHALL BE

1 THE ADMINISTRATOR OF THE FUND FOR AUDITING PURPOSES.

2 (5) THE OFFICE OF FINANCIAL AND INSURANCE REGULATION SHALL  
3 EXPEND MONEY FROM THE INSURANCE WHISTLEBLOWER PROTECTION FUND, UPON  
4 APPROPRIATION, ONLY FOR 1 OR MORE OF THE FOLLOWING PURPOSES:

5 (A) NOT MORE THAN 10% OF THE AMOUNT DEPOSITED EACH YEAR INTO  
6 THE FUND SHALL BE USED TO PAY THE COSTS OF ADMINISTERING THE FUND  
7 AND THE REWARD PROGRAM.

8 (B) NOT MORE THAN 50% OF THE AMOUNT DEPOSITED EACH YEAR INTO  
9 THE FUND SHALL BE USED FOR CONSUMER INFORMATION AND EDUCATION  
10 CONCERNING INSURANCE PRACTICES AND CONSUMER INSURANCE RIGHTS.

11 (C) THE BALANCE OF THE FUND MAY BE USED TO REWARD FULL-TIME OR  
12 PART-TIME EMPLOYEES OF AN INSURER REGULATED UNDER THIS ACT WHO  
13 REPORT AN UNFAIR OR DECEPTIVE ACT OR PRACTICE IN THE BUSINESS OF  
14 INSURANCE THAT IS A VIOLATION OF THIS ACT, IF THE INFORMATION THE  
15 EMPLOYEE PROVIDES AID IN AN ADMINISTRATIVE OR JUDICIAL ACTION  
16 AGAINST THE EMPLOYER. THE AMOUNT OF EACH REWARD SHALL BE DETERMINED  
17 BY THE OFFICE OF FINANCIAL AND INSURANCE REGULATION, BASED ON THE  
18 SEVERITY OF THE OFFENSE REPORTED, THE IMPORTANCE OF THE INFORMATION  
19 PROVIDED TO THE PROSECUTION, THE OUTCOME OF THE ADMINISTRATIVE OR  
20 JUDICIAL PROCEEDING, AND THE AMOUNT OF THE FUND BALANCE.

21 Enacting section 1. This amendatory act does not take effect  
22 unless all of the following bills of the 95th Legislature are  
23 enacted into law:

24 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 5144 (request no.  
25 01155'09).

26 (b) House Bill No. 4846.