

# HOUSE BILL No. 4224

February 19, 2015, Introduced by Rep. Barrett and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending sections 240 and 438 (MCL 500.240 and 500.438),  
section 240 as amended by 2000 PA 252 and section 438 as amended  
by 1994 PA 227.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 240. (1) The ~~commissioner~~**DIRECTOR** shall collect, and  
2       the person affected shall pay to the ~~commissioner~~**DIRECTOR**, the  
3       following fees:

4       (a) Filing fee for original authorization to  
5       transact insurance or health maintenance organization  
6       business in this state, for each domestic, foreign,  
7       and alien insurer, and each health maintenance  
8       organization..... \$   25.00.

(b) ~~Filing~~ **UNTIL THE EFFECTIVE DATE OF THE 2015  
AMENDATORY ACT THAT AMENDED THIS SUBDIVISION, FILING**

fee for annual statement of foreign and alien insurers,  
each year, subject to section 476a..... \$ 25.00.

(c) ~~Agent's~~ **PRODUCER'S** appointment fee, resident or  
nonresident, payable by insurer or health maintenance  
organization so represented, for each ~~agent~~, **PRODUCER**,  
each year..... \$ 5.00.

(d) Application fee payable by each initial  
applicant for license as resident ~~agent~~, **PRODUCER**,  
nonresident ~~agent~~, **PRODUCER**, surplus lines ~~agent~~,  
**PRODUCER**, solicitor, counselor, or adjuster, not  
transferable or refundable..... \$ 10.00.

(e) Solicitor's license, each year..... \$ 10.00.

(f) Insurance counselor license, each year..... \$ 10.00.

(g) Adjuster's license, each year..... \$ 5.00.

(h) License examination fee, payable by applicant  
for all subjects covered in any 1 examination, or  
portion of an examination, for license as resident  
~~agent~~, **PRODUCER**, surplus lines ~~agent~~, **PRODUCER**,  
solicitor, counselor, or adjuster, each examination,  
not transferable or refundable..... \$ 10.00.

(i) Surplus lines ~~agent~~ **PRODUCER** license each  
year..... \$ 100.00.

(2) ~~Each~~ **AN** incorporated domestic insurer shall pay to the  
attorney general, for the examination of the insurer's articles  
of incorporation or any amendments to the articles of  
incorporation, ~~the sum of~~ \$25.00.

(3) The fees and charges for official services performed by  
the ~~commissioner~~ **DIRECTOR** or the ~~commissioner's~~ **DIRECTOR'S**

1 deputies or employees, when collected, ~~shall~~**MUST** be turned over  
 2 to the state treasurer and a receipt taken. The fees and charges  
 3 provided for in this section ~~shall~~**MUST** be deposited in the state  
 4 treasury to the credit of the general fund.

5 (4) ~~The provisions of subsection (1)(h), insofar as they~~  
 6 ~~provide for~~**THE** examination fees **DESCRIBED IN SUBSECTION (1)(H)** ~~7~~  
 7 are applicable only if the examinations are administered by the  
 8 ~~commissioner~~**DIRECTOR**. If the examinations are administered by  
 9 ~~some~~**A** designated authority other than the ~~commissioner~~,  
 10 **DIRECTOR**, appropriate examination fees ~~shall be~~**ARE** payable  
 11 directly to the designated authority.

12 Sec. 438. (1) ~~Each~~**AN** insurer, foreign, alien, U.S. branch,  
 13 or domestic, transacting business within this state, shall  
 14 annually, on or before March 1, prepare under oath and deposit  
 15 with the ~~commissioner~~**DIRECTOR** a statement concerning its affairs  
 16 in a form and manner as prescribed by the ~~commissioner~~**DIRECTOR**.  
 17 The annual statement ~~shall~~**MUST** be filed on or before March 1 of  
 18 the year following that covered by the statement. ~~Upon~~**ON** request  
 19 and for good cause shown, the ~~commissioner~~**DIRECTOR** may grant to  
 20 ~~any~~**A** company reasonable extensions of the March 1 filing date  
 21 for periods not to exceed 30 days. ~~The insurer shall pay the~~  
 22 ~~filing fee prescribed in section 240(1)(b).~~

23 (2) The ~~commissioner~~**DIRECTOR** shall prescribe the format and  
 24 content of statements that are suitable and adaptable to each  
 25 kind of insurer authorized by this act. The ~~commissioner~~**DIRECTOR**  
 26 shall include requests for information ~~upon any and all~~**ON**  
 27 important elements of an insurer's business, including any

1 matter, condition, or requirement regulated by this act. An  
 2 annual statement filed by an insurer under this section ~~shall~~  
 3 **MUST** be prepared in accordance with instructions provided by, and  
 4 accounting practices and procedures designated by, the  
 5 ~~commissioner~~.**DIRECTOR**.

6 (3) The ~~commissioner~~**DIRECTOR** may address inquiries to ~~any~~  
 7 **AN** insurer, in relation to the insurer's activities or  
 8 conditions, or any matter connected with the insurer's  
 9 transactions. ~~An~~**THE** insurer ~~so addressed~~ shall promptly reply in  
 10 writing to each inquiry ~~by the commissioner~~.**DESCRIBED IN THIS**  
 11 **SUBSECTION**.

12 (4) ~~Each~~**A** report filed with the ~~commissioner~~ pursuant to  
 13 **DIRECTOR UNDER** this section ~~shall~~**MUST** be made available to the  
 14 public in compliance with the freedom of information act, ~~Act No.~~  
 15 ~~442 of the Public Acts of 1976, being sections 15.231 to 15.246~~  
 16 ~~of the Michigan Compiled Laws.1976 PA 442, MCL 15.231 TO 15.246.~~

17 (5) ~~Each~~**AN** authorized insurer that ~~fails to~~**DOES NOT** make  
 18 or deposit the annual statement required by this section, or  
 19 ~~fails to~~**DOES NOT** reply within 30 days to an inquiry of the  
 20 ~~commissioner~~,**DIRECTOR**, is subject to a civil penalty of not less  
 21 than \$1,000.00 or more than \$5,000.00, and an additional \$50.00  
 22 for every day that the insurer ~~fails to~~**DOES NOT** make and deposit  
 23 the annual statement or reply to the inquiry. In addition, ~~each~~  
 24 **AN** insurer that ~~fails to~~**DOES NOT** make and deposit an annual  
 25 statement, or ~~fails to~~**DOES NOT** make a satisfactory reply to an  
 26 inquiry of the ~~commissioner~~,**DIRECTOR**, concerning the insurer's  
 27 affairs ~~shall be~~**IS** subject to proceedings under section 436.

1           (6) The annual statement of an alien insurer ~~shall~~**MUST**  
2 relate only to the insurer's assets, transactions, and affairs in  
3 the United States unless the ~~commissioner~~**DIRECTOR** requires  
4 otherwise.

5           (7) As used in this section, "U.S. branch" means that term  
6 as defined in section 431.

7           Enacting section 1. This amendatory act takes effect 90 days  
8 after the date it is enacted into law.