

HOUSE BILL NO. 5174

October 29, 2019, Introduced by Rep. Rendon and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 1915 (MCL 500.1915), as amended by 2006 PA 644.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 1915. (1) A licensee may ~~not charge , in addition to the~~
- 2 ~~premium charged by an unauthorized insurer, a fee to cover the~~
- 3 ~~costs incurred in the placement of the indemnity which exceeds~~
- 4 ~~\$50.00, unless all of the following conditions are met:~~
- 5 (a) ~~The fee in excess of \$50.00 is filed with the commissioner~~
- 6 ~~and not disapproved by the commissioner within 30 days of the date~~



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1 ~~it is filed with the commissioner.~~

2 ~~(b) The fee exceeds \$50.00 only to the extent that the actual~~
3 ~~additional costs incurred for services performed by persons or~~
4 ~~entities unrelated to the licensee exceed that amount.~~ **a reasonable**
5 **per-policy fee for each surplus lines insurance policy.**

6 (2) ~~A Both of the following apply to a fee charged pursuant to~~
7 **under** subsection (1): ~~shall not be excessive or discriminatory. The~~
8 ~~licensee shall maintain complete documentation of all fees charged~~
9 ~~pursuant to subsection (1) (b). Those fees shall~~

10 (a) **The fee must be itemized separately to the customer before**
11 **the customer purchases the surplus lines insurance policy.**

12 (b) **The fee must** not be included as a part of the policy
13 premium in the computation of premium taxes.

14 ~~(3) The \$50.00 fee prescribed in subsection (1) shall be~~
15 ~~adjusted June 1, 2008 and annually thereafter to reflect the~~
16 ~~percentage of change in the consumer price index.~~

17 ~~(4) As used in this section, "consumer price index" means the~~
18 ~~consumer price index for all urban consumers in the United States~~
19 ~~city average for all items, as most recently reported by the United~~
20 ~~States department of labor, bureau of labor statistics, and as~~
21 ~~certified by the commissioner in an administrative bulletin.~~

