

THE INSURANCE CODE OF 1956 (EXCERPT)

Act 218 of 1956

CHAPTER 22A

500.2270 Definitions.

Sec. 2270. As used in this chapter:

(a) "Certificate of insurance" means a document, regardless of how titled or described, that is prepared by an insurer or insurance producer that is a statement or summary of an insured's property or casualty insurance coverage. Certificate of insurance does not include a policy of insurance, insurance binder, or policy endorsement.

(b) "Director" means the director of the department of insurance and financial services.

(c) "Insurance" means any of the lines of authority in chapter 6.

(d) "Insurance producer" means that term as defined in section 1201.

History: Add. 2014, Act 271, Imd. Eff. July 2, 2014.

Popular name: Act 218

500.2271 Certificate of insurance; prohibitions.

Sec. 2271. A person shall not do any of the following:

(a) Issue or deliver a certificate of insurance that purports to affirmatively or negatively alter, amend, or extend the coverage provided by an insurance policy referenced in the certificate of insurance.

(b) Prepare or issue a certificate of insurance that contains any false or misleading information concerning an insurance policy referenced in the certificate of insurance.

(c) Demand or require the issuance of a certificate of insurance from an insurer, insurance producer, or policyholder that contains any false or misleading information concerning an insurance policy referenced in the certificate of insurance.

History: Add. 2014, Act 271, Imd. Eff. July 2, 2014.

Popular name: Act 218

500.2273 Certificate of insurance; representation.

Sec. 2273. Except as otherwise provided in an insurance policy, a certificate of insurance does not represent an insurer's obligation to give notice of cancellation or nonrenewal to a person.

History: Add. 2014, Act 271, Imd. Eff. July 2, 2014.

Popular name: Act 218

500.2275 Notice of cancellation, nonrenewal, and similar notice; limitation.

Sec. 2275. A person is entitled to notice of cancellation, nonrenewal, and any similar notice concerning a policy of insurance only if the person has notice rights under the terms of a policy of insurance or an endorsement to a policy of insurance. The terms and conditions of a notice described in this section are governed by the policy of insurance or endorsement. A certificate of insurance does not alter the terms and conditions of the notice.

History: Add. 2014, Act 271, Imd. Eff. July 2, 2014.

Popular name: Act 218

500.2277 Violation; findings and decision of director; order.

Sec. 2277. If the director finds that a person has violated this chapter, after an opportunity for a hearing under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the director shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the director may order any of the following:

(a) Payment of a civil fine of not more than \$500.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this chapter, the director may order the payment of a civil fine of not more than \$2,500.00 for each violation. An order of the director under this section shall not require the payment of civil fines exceeding \$25,000.00. A fine collected under this subdivision shall be turned over to the state treasurer and credited to the general fund of this state.

(b) The director may apply to the circuit court of Ingham county for an order of the court enjoining a violation of this chapter.

History: Add. 2014, Act 271, Imd. Eff. July 2, 2014.

Popular name: Act 218