

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.1201 Definitions.**

Sec. 1201. As used in this chapter:

- (a) "Agent" except as provided in section 1243 means an insurance producer.
- (b) "Agent of the insured" means an insurance producer who is not an appointed insurance producer of the insurer with which the insurance policy is placed. An agent of the insured is treated as representing the insured or the insured's beneficiary and not the insurer.
- (c) "Agent of the insurer" means an insurance producer who sells, solicits, or negotiates an application for insurance as a representative of the insurer and not the insured or the insured's beneficiary.
- (d) "Business entity" means a corporation, association, partnership, limited liability company, limited liability partnership, or other legal entity.
- (e) "Home state", except as provided in section 1224, means the District of Columbia or any state or territory of the United States in which an insurance producer maintains his or her principal place of residence or principal place of business and is licensed to act as an insurance producer.
- (f) "Insurance" means any of the lines of authority in chapter 6.
- (g) "Insurance producer" means a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance.
- (h) "License" means a document issued by the director authorizing a person to act as an insurance producer for the qualifications specified in the document. The license itself does not create any actual, apparent, or inherent authority in the holder to represent or commit an insurer.
- (i) "Limited line credit insurance" includes credit life, credit disability, credit property, credit unemployment, involuntary unemployment, mortgage life, mortgage guaranty, mortgage disability, guaranteed automobile protection insurance, and any other form of insurance offered in connection with an extension of credit that is limited to partially or wholly extinguishing that credit obligation that the director determines should be designated a form of limited line credit insurance.
- (j) "Limited line credit insurance producer" means a person who sells, solicits, or negotiates 1 or more forms of limited line credit insurance coverage to individuals through a master, corporate, group, or individual policy.
- (k) "Limited lines insurance" means any of the following:
  - (i) Marine insurance as defined in section 614.
  - (ii) Credit insurance as described in section 624(1)(e).
  - (iii) Surety and fidelity insurance as defined in section 628.
  - (iv) Legal expense insurance as defined in section 618.
  - (v) Livestock insurance as described in section 624(1)(g).
  - (vi) Malpractice insurance as described in section 624(1)(h).
  - (vii) Plate glass insurance as described in section 624(1)(c).
  - (viii) Any other miscellaneous insurance described in section 624(1)(i).
  - (ix) Any other line of insurance that the director considers necessary to recognize to comply with section 1206a(5).
- (l) "Limited lines producer" means a person authorized by the director to sell, solicit, or negotiate limited lines insurance.
- (m) "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, if the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.
- (n) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company.
- (o) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.
- (p) "Terminate" means the cancellation of the relationship between an insurance producer and the insurer or the termination of a producer's authority to transact insurance.

**History:** Add. 1972, Act 133, Eff. Mar. 30, 1973;—Am. 1980, Act 340, Imd. Eff. Dec. 23, 1980;—Am. 2001, Act 228, Eff. Mar. 1, 2002;—Am. 2012, Act 462, Imd. Eff. Dec. 27, 2012;—Am. 2018, Act 449, Imd. Eff. Dec. 21, 2018.

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