

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

**500.1269 Refusal of director to grant certificate; notice; hearing; suspension or revocation of certificate; summary suspension; witness and production of documents; subpoenas.**

Sec. 1269. (1) The director shall refuse to grant a certificate to an applicant who fails to meet the requirements of this chapter. Notice of the refusal shall be in writing and shall set forth the basis for the refusal. If the applicant submits a written request within 30 days after mailing of the notice of refusal, the director shall promptly conduct a hearing in which the applicant shall be given an opportunity to show compliance with the requirements of this chapter.

(2) The director, after notice of and opportunity for a hearing, may suspend or revoke a certificate of a certificate holder who fails to maintain the standards required for initial certification or who violates this act.

(3) Without prior hearing, the director may order summary suspension of a certificate if he or she finds that protection of the public requires emergency action and incorporates this finding in his or her order. The suspension shall be effective on the date specified in the order or upon service of a certified copy of the order on the certificate holder, whichever is later. If requested, the director shall conduct a hearing on the suspension within a reasonable time but not later than 20 days after the effective date of the summary suspension unless the person whose certificate is suspended requests a later date. At the hearing, the director shall determine if the suspension should be continued or if the suspension should be withdrawn, and, if proper notice is given, may determine if the certificate should be revoked. The director shall announce his or her decision within 30 days after conclusion of the hearing. The suspension shall continue until the decision is announced.

(4) The director, or his or her designated deputy, may issue subpoenas to require the attendance and testimony of witnesses and the production of documents necessary to the conduct of the hearing and may designate a department employee to make service. The subpoenas issued by the director, or his or her designated deputy, may be enforced upon petition to the circuit court of Ingham county to show cause why a contempt order should not be issued, as provided by law.

**History:** Add. 2014, Act 566, Imd. Eff. Jan. 15, 2015.

**Compiler's note:** Enacting section 1 of Act 566 of 2014 provides:

"Enacting section 1. (1) This amendatory act shall not be construed to do any of the following:

(a) Authorize this state or an agency of this state to conduct or oversee state-level governmental consumer assistance functions for an American health benefit exchange established or operating in this state under the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152.

(b) Convey any administrative, statutory, rule-making, or other power to this state or an agency of this state to authorize, establish, or operate an American health benefit exchange in this state that did not exist before the effective date of this amendatory act.

(2) It is the intent of this legislature that any consumer assistance functions by or overseen by this state or an agency of this state with regard to an American health benefit exchange shall be conducted in a manner that utilizes and highlights Michigan-based resources, including insurance producers, in order to best serve the residents of this state and to ensure appropriate health care decisions."

Enacting section 2 of Act 566 of 2014 provides:

"Enacting section 2. This amendatory act applies to policies, certificates, or contracts delivered, issued for delivery, or renewed in this state on and after the effective date of this amendatory act."

**Popular name:** Act 218