

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4485

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 1202 (MCL 500.1202), as amended by 2014 PA 150.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1202. (1) This chapter shall not be construed to require
2 an insurer to obtain an insurance producer license. As used in this
3 section, the term "insurer" does not include an insurer's officers,
4 directors, employees, subsidiaries, or affiliates.

5 (2) A license as an insurance producer is not required of any
6 of the following:

7 (a) An officer, director, or employee of an insurer or of an
8 insurance producer, if the officer, director, or employee does not
9 receive any commission on policies written or sold to insure risks
10 residing, located, or to be performed in this state and meets 1 or

1 more of the following:

2 (i) The officer's, director's, or employee's activities are
3 executive, administrative, managerial, clerical, or a combination
4 of these, and are only indirectly related to the sale,
5 solicitation, or negotiation of insurance.

6 (ii) The officer's, director's, or employee's function relates
7 to underwriting, loss control, inspection, or the processing,
8 adjusting, investigating, or settling of a claim on a contract of
9 insurance.

10 (iii) The officer, director, or employee is acting in the
11 capacity of a special agent or agency supervisor assisting
12 insurance producers if the person's activities are limited to
13 providing technical advice and assistance to licensed insurance
14 producers and do not include the sale, solicitation, or negotiation
15 of insurance.

16 (b) A person who performs and receives no commission for any
17 of the following services:

18 (i) Securing and furnishing information for the purpose of
19 group life insurance, group property and casualty insurance, group
20 annuities, or group or blanket accident and health insurance.

21 (ii) Securing and furnishing information for the purpose of
22 enrolling individuals under plans, issuing certificates under
23 plans, or otherwise assisting in administering plans.

24 (iii) Performing administrative services related to mass
25 marketed property and casualty insurance.

26 (c) An employer or association or its officers, directors,
27 employees, or the trustees of an employee trust plan, to the extent

1 that the employers, officers, employees, directors, or trustees are
2 engaged in the administration or operation of a program of employee
3 benefits for the employer's or association's own employees or the
4 employees of its subsidiaries or affiliates, which program involves
5 the use of insurance issued by an insurer, if the employers,
6 associations, officers, directors, employees, or trustees are not
7 in any manner compensated, directly or indirectly, by the company
8 issuing the contracts.

9 (d) Employees of insurers or organizations employed by
10 insurers who are engaging in the inspection, rating, or
11 classification of risks, or in the supervision of the training of
12 insurance producers and who are not individually engaged in the
13 sale, solicitation, or negotiation of insurance.

14 (e) A person whose activities in this state are limited to
15 advertising without the intent to solicit insurance in this state
16 through communications in printed publications or other forms of
17 electronic mass media, the distribution of which is not limited to
18 residents of the state, if the person does not sell, solicit, or
19 negotiate insurance that would insure risks residing, located, or
20 to be performed in this state.

21 (f) A person who is not a resident of this state who sells,
22 solicits, or negotiates a contract of insurance for commercial
23 property and casualty risks to an insured with risks located in
24 more than 1 state insured under that contract, if the person is
25 otherwise licensed as an insurance producer to sell, solicit, or
26 negotiate that insurance in the state where the insured maintains
27 its principal place of business and the contract of insurance

1 insures risks located in that state.

2 (g) A salaried full-time employee who counsels or advises his
3 or her employer concerning the insurance interests of the employer
4 or of the subsidiaries or business affiliates of the employer, if
5 the employee does not sell or solicit insurance or receive a
6 commission.

7 (h) A person whose only sale of insurance is for travel or
8 auto-related insurance sold in connection with and incidental to
9 the rental of a motor vehicle under a rental agreement for a period
10 not to exceed 90 days.

11 (i) A person whose only sale of insurance is for portable
12 electronics insurance sold in connection with and incidental to the
13 sale of a portable electronic device if written disclosure material
14 is provided to the customer at the time of solicitation and the
15 written material includes all of the following:

16 (i) A disclosure that portable electronics insurance may
17 duplicate coverage already provided by the customer's homeowners,
18 renters, or other insurance policies.

19 (ii) A statement that the enrollment by the customer in a
20 portable electronics insurance program is not required to purchase
21 or lease a portable electronic device or services for the device.

22 (iii) A summary of the material terms of the portable
23 electronics insurance coverage, including all of the following:

24 (A) The identity of the insurer.

25 (B) The amount of any applicable deductible and how it is to
26 be paid.

27 (C) The benefits of the coverage.

1 (D) Key terms and conditions of the coverage, such as whether
2 the portable electronics may be repaired or replaced with a similar
3 make and model or reconditioned or nonoriginal manufacturer parts
4 or equipment.

5 (iv) A summary of the process for filing a claim, including a
6 description of how to return a portable electronic device and the
7 maximum fee applicable if the customer fails to comply with
8 equipment return requirements.

9 (v) A statement that the customer may cancel enrollment for
10 coverage under a portable electronics insurance policy at any time
11 and that the person paying the premium will receive a refund of or
12 credit for any unearned premium.

13 (j) A person whose only sale of insurance is for travel
14 insurance sold in conjunction with and incidental to planned
15 travel.

16 (K) A PERSON WHOSE ONLY SALE OF INSURANCE IS STORED PROPERTY
17 INSURANCE SOLD IN CONNECTION WITH AND INCIDENTAL TO THE RENTAL OF
18 STORAGE SPACE IN A SELF-SERVICE STORAGE FACILITY UNDER A RENTAL
19 AGREEMENT FOR A PERIOD NOT TO EXCEED 1 YEAR IF WRITTEN DISCLOSURE
20 MATERIAL IS PROVIDED TO THE CUSTOMER AT THE TIME OF SOLICITATION
21 AND THE WRITTEN MATERIAL INCLUDES ALL OF THE FOLLOWING:

22 (i) A DISCLOSURE THAT THE STORED PROPERTY INSURANCE MAY
23 DUPLICATE COVERAGE ALREADY PROVIDED BY THE CUSTOMER'S HOMEOWNERS,
24 RENTERS, OR OTHER INSURANCE POLICIES.

25 (ii) A SUMMARY OF THE MATERIAL TERMS OF THE STORED PROPERTY
26 INSURANCE COVERAGE, INCLUDING ALL OF THE FOLLOWING:

27 (A) THE IDENTITY OF THE INSURER.

1 (B) THE BENEFITS OF THE COVERAGE.

2 (C) THE KEY TERMS AND CONDITIONS OF THE COVERAGE.

3 (iii) A SUMMARY OF THE PROCESS FOR FILING A CLAIM.

4 (3) As used in this section:

5 (a) "Motor vehicle" means a motorized vehicle designed for
6 transporting passengers or goods.

7 (B) "SELF-SERVICE STORAGE FACILITY" MEANS THAT TERM AS DEFINED
8 IN SECTION 2 OF THE SELF-SERVICE STORAGE FACILITY ACT, 1985 PA 148,
9 MCL 570.522.

10 (C) "STORED PROPERTY INSURANCE" MEANS INSURANCE THAT PROVIDES
11 COVERAGE FOR THE LOSS OF, OR DAMAGE TO, TANGIBLE PERSONAL PROPERTY
12 CONTAINED IN A STORAGE SPACE LOCATED ON A SELF-SERVICE STORAGE
13 FACILITY OR IN TRANSIT DURING THE TERM OF A SELF-SERVICE STORAGE
14 FACILITY RENTAL AGREEMENT AND THAT IS SOLD UNDER EITHER OF THE
15 FOLLOWING:

16 (i) AN INDIVIDUAL POLICY.

17 (ii) A GROUP, COMMERCIAL, OR MASTER POLICY ISSUED TO A SELF-
18 SERVICE STORAGE FACILITY FOR THE PROVISION OF INSURANCE TO ITS
19 CUSTOMERS.

20 (D) ~~(b)~~ "Travel insurance" means a limited lines insurance
21 coverage under section 1201(i) for personal risk incident to
22 planned travel, including 1 or more of the following:

23 (i) Interruption or cancellation of a trip or event.

24 (ii) Loss of baggage or personal effects.

25 (iii) Damages to accommodations or rental vehicles.

26 (iv) Sickness, accident, disability, or death occurring during
27 travel.

1 **(E)** ~~(e)~~—Travel insurance does not include major medical plans,
2 which provide comprehensive medical protection for travelers with
3 trips lasting 6 months or longer, including, for example, those
4 working overseas as an expatriate or military personnel being
5 deployed.