HOUSE BILL No. 6432

As Amended December 4, 2018

October 4, 2018, Introduced by Rep. Webber and referred to the Committee on Insurance.


THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

Sec. 3. (1) Health benefits shall only be sold on behalf of a health benefit corporation by either of the following:

(a) A health benefit agent.

(b) An employee either of a health benefit corporation or an affiliate of the health benefit corporation, if the employee does not transact insurance during the tenure of his or her employment with the health benefit corporation or the affiliate.

(2) A health benefit agent may package health benefits with such insurance as the agent is authorized to sell. [IF AN APPLICATION FOR HEALTH BENEFITS THAT IS PACKAGED WITH INSURANCE IS SUBMITTED BY AN AGENT TO A HEALTH BENEFIT CORPORATION OR TO AN AFFILIATE OF A HEALTH BENEFIT CORPORATION AND THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH BENEFIT CORPORATION KNOWS THE AGENT OF RECORD FOR THE GROUP'S CURRENT HEALTH BENEFITS, THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE
OF A HEALTH BENEFIT CORPORATION SHALL NOTIFY THE AGENT OF RECORD OF THE
APPLICATION UNLESS ANY OF THE FOLLOWING APPLY:

(A) THE SUBMITTING AGENT IS THE AGENT OF RECORD.

(B) BOTH OF THE FOLLOWING APPLY:

(i) THE GROUP AUTHORIZES CHANGING THE AGENT OF RECORD TO THE
SUBMITTING AGENT.

(ii) THE AGENT OF RECORD IS NOT EMPLOYED BY A HEALTH BENEFIT
CORPORATION OR AN AFFILIATE OF A HEALTH BENEFIT CORPORATION.

(C) THE GROUP REQUESTS IN WRITING THAT THE AGENT OF RECORD NOT BE
NOTIFIED.

(3) IF THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH
BENEFIT CORPORATION NOTIFIES THE AGENT OF RECORD UNDER SUBSECTION (2),
THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH BENEFIT
CORPORATION SHALL NOT PROCESS THE APPLICATION FOR 14 DAYS AFTER THE
NOTIFICATION IS GIVEN UNLESS EITHER OF THE FOLLOWING APPLIES:

(A) A SHORTER PERIOD OF TIME IS AGREED TO BY THE AGENT OF RECORD.

(B) THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH
BENEFIT CORPORATION RECEIVES A WRITTEN REQUEST FROM THE GROUP TO PROCEED
WITH CONSIDERATION OF THE APPLICATION.

(4) A health benefit corporation shall pay to the commissioner
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DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES an
annual appointment fee of $5.00 for each health benefit agent who
is authorized to sell health benefits on behalf of the health
benefit corporation.

[(5) AS USED IN THIS SECTION, "AGENT OF RECORD" MEANS A PERSON THAT IS A
HEALTH BENEFIT AGENT AUTHORIZED TO REPRESENT A SUBSCRIBER TO TRANSACT
INSURANCE, INCLUDING THE PURCHASING, SERVICING, AND MAINTENANCE OF HEALTH
BENEFITS AND THAT IS SHOWN ON THE RECORDS OF THE HEALTH BENEFIT
CORPORATION OR THE AFFILIATE OF A HEALTH BENEFIT CORPORATION AS THE AGENT
TO WHOM COMMISSION IS TO BE PAID.]

Sec. 9. (1) An affiliate of a health benefit corporation shall
MUST not be licensed as an insurance agent under chapter 12 of the
insurance code of 1956, Act No. 218 of the Public Acts of 1956,
being sections 1956 PA 218, MCL 500.1201 to 500.1244 of the
Michigan Compiled Laws. 500.1247.

(2) An employee either of a health benefit corporation or an
affiliate of a health benefit corporation who is licensed as an
insurance agent under chapter 12 of the insurance code of 1956, Act
No. 218 of the Public Acts of 1956, shall not transact insurance
during his or her employment with the health benefit corporation or
the affiliate.