ENROLLED HOUSE BILL No. 6432

AN ACT to amend 1986 PA 252, entitled “An act to regulate the marketing and transacting of certain health benefits; to regulate the agents of health benefit corporations; to establish certain powers and duties of health benefit corporations and agents of health benefit corporations; to establish the powers and duties of certain state officers and agencies; and to provide for certain penalties,” by amending sections 3 and 9 (MCL 550.1003 and 550.1009).

The People of the State of Michigan enact:

Sec. 3. (1) Health benefits may only be sold on behalf of a health benefit corporation by a health benefit agent.

(2) A health benefit agent may package health benefits with insurance 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 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. An affiliate of a health benefit corporation must not be licensed as an insurance agent under chapter 12 of the insurance code of 1956, 1956 PA 218, MCL 500.1201 to 500.1247.
This act is ordered to take immediate effect.

Chairman

Clerk of the House of Representatives

Secretary of the Senate

Approved

Governor