

SENATE BILL No. 592

July 10, 2001, Introduced by Senator BULLARD and referred to the Committee on Financial Services.

A bill to amend 1984 PA 218, entitled "Third party administrator act," by amending sections 14 and 18 (MCL 550.914 and 550.918); and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 14. (1) The commissioner shall issue a certificate of
2 authority to operate as a TPA if the commissioner is satisfied
3 that ~~all of the following conditions are met: (a) The TPA has~~
4 ~~in its employ at least 1 administrative services manager who is~~
5 ~~licensed under section 16 and who is responsible for the daily~~
6 ~~operation of the TPA. (b) The~~ THE TPA has adequate facilities,
7 personnel, and managers to act as a third party administrator.

8 (2) If the commissioner disapproves an application for a
9 certificate of authority, he or she shall notify the applicant in
10 writing of the reasons for the disapproval.

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1 (3) A TPA shall continue to meet the conditions required
 2 under subsection (1) after the certificate of authority is
 3 issued. ~~However, if a TPA fails to meet the requirements of~~
 4 ~~subsection (1) because of a manager's death, incapacity, resigna-~~
 5 ~~tion, or dismissal, the TPA shall have 30 days to comply with~~
 6 ~~subsection (1). Upon request and for good cause shown, the com-~~
 7 ~~missioner may grant to a TPA a reasonable extension beyond the~~
 8 ~~30-day time limit within which the TPA shall comply with subsec-~~
 9 ~~tion (1).~~

10 Sec. 18. (1) The commissioner shall collect, and the per-
 11 sons affected shall pay to the commissioner, the following fees:

12 (a) Filing fee to accompany application for third
 13 party administrator's certificate of authority..... \$200.00.

14 (b) Certificate of authority for a third party
 15 administrator \$ 25.00.

16 (c) Filing fee for annual statement of a third
 17 party administrator, each year..... \$ 25.00.

18 ~~(d) Fee for administrative services manager~~
 19 ~~examination..... \$ 10.00.~~

20 ~~(e) Filing fee to accompany application for admin-~~
 21 ~~istrative services manager's license..... \$ 10.00.~~

22 (2) Fees paid under this section shall be designated for the
 23 insurance bureau to cover the additional costs incurred as a
 24 result of this act.

25 Enacting section 1. Sections 16 and 62 of the third party
 26 administrator act, 1984 PA 218, MCL 550.916 and 550.962, are
 27 repealed.