

SUBSTITUTE FOR
HOUSE BILL NO. 6196

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 5248 (MCL 500.5248).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 5248. (1) No domestic insurer shall pay any salary,
2 compensation, or emolument to any officer or director ~~thereof,~~ **OF**
3 **THE DOMESTIC INSURER** unless ~~such~~ **THE** payment is first authorized
4 by a vote of the board of directors of ~~such~~ **THE** insurer. ~~No such~~
5 ~~insurer shall make any agreement with any of its officers,~~
6 ~~directors or salaried employees whereby it agrees that for any~~
7 ~~services rendered or to be rendered he shall receive any salary,~~
8 ~~compensation or emolument that will extend beyond a period of 12~~
9 ~~months from the date of such agreement, except the limitation shall~~
10 ~~not be construed as preventing the insurer from entering into~~
11 ~~contracts with its agents for the payment of renewal commissions.~~

1 ~~—— (2) No such insurer shall grant any pension to any officer or~~
2 ~~director thereof, or to any member of his family after his death,~~
3 ~~except that such insurer may in pursuance of the terms of a~~
4 ~~retirement plan adopted by the board of directors of such insurer~~
5 ~~and approved by the commissioner provide for any person, who is or~~
6 ~~has been a salaried officer or employee of such insurer, a pension~~
7 ~~payable at the time of his retirement by reason of age or~~
8 ~~disability, and also life insurance benefits payable at his death.~~

9 ~~—— (3) Such an insurer, in pursuance of the terms of a plan~~
10 ~~adopted by its board of directors and approved by the commissioner,~~
11 ~~may provide for any person who is or has been a salaried officer or~~
12 ~~employee of such insurer, hospital, surgical, medical and health~~
13 ~~care benefits payable during his retirement, which plan shall~~
14 ~~provide equal benefits to all such officers, employees and their~~
15 ~~dependents.~~

16 (2) ~~(4) No~~ **A** director, officer, or employee of ~~such~~ **A**
17 **DOMESTIC** insurer shall **NOT** be compensated unreasonably. The
18 compensation of any director or officer of ~~such~~ **A DOMESTIC**
19 insurer shall not be calculated, directly or indirectly, as a
20 percentage of premiums collected or insurance written by the
21 insurer, without the approval of the commissioner.

22 Enacting section 1. This amendatory act does not take effect
23 unless all of the following bills of the 93rd Legislature are
24 enacted into law:

25 (a) House Bill No. 6194.

26 (b) House Bill No. 6195.