

HOUSE BILL No. 6196

June 14, 2006, Introduced by Reps. Mortimer, Hune, Hildenbrand and Gaffney and referred to the Committee on Insurance.

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

1 ~~not be construed as preventing the insurer from entering into~~
2 ~~contracts with its agents for the payment of renewal commissions.~~

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

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

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