

SUBSTITUTE FOR
SENATE BILL NO. 748

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 4003.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4003. (1) AN INDIVIDUAL LIFE INSURANCE POLICY SHALL NOT
2 LAPSE, TERMINATE, OR BE FORFEITED FOR NONPAYMENT OF PREMIUMS OR
3 INTEREST OR INDEBTEDNESS ON A PREMIUM IF PROTECTION IS APPLIED FOR
4 AND GRANTED PURSUANT TO 50 USC APP 541 TO 549.

5 (2) IN ADDITION TO ANY OTHER PENALTY THAT MAY BE PROVIDED BY
6 LAW, IF THE COMMISSIONER FINDS THAT A PERSON HAS INTENTIONALLY
7 VIOLATED THIS SECTION AND HAS REFUSED TO COMPLY WITH THIS SECTION
8 AFTER THE VIOLATION IS MADE KNOWN, THEN AFTER AN OPPORTUNITY FOR A
9 HEARING PURSUANT TO THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969
10 PA 306, MCL 24.201 TO 24.328, THE COMMISSIONER SHALL REDUCE THE
11 FINDINGS AND DECISION TO WRITING AND MAY ORDER REINSTATEMENT OF THE

1 POLICY AND THE PAYMENT OF A CIVIL FINE OF NOT MORE THAN \$2,000.00
2 FOR EACH VIOLATION. A FINE COLLECTED UNDER THIS SUBSECTION SHALL BE
3 DEPOSITED INTO THE MILITARY FAMILY RELIEF FUND CREATED IN SECTION 3
4 OF THE MILITARY FAMILY RELIEF FUND ACT, 2004 PA 363, MCL 35.1213.

5 (3) AS USED IN THIS SECTION, "INDIVIDUAL LIFE INSURANCE
6 POLICY" MEANS "POLICY" AS DEFINED IN 50 USC APP 541.