

Legislative Analysis



ELIMINATE CHANGE-OF-ADDRESS FEE

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House Bill 5890

Sponsor: Rep. Deb Shaughnessy

Committee: Insurance

Complete to 9-19-12

A SUMMARY OF HOUSE BILL 5890 AS INTRODUCED 9-12-12

The bill would amend the Insurance Code to eliminate the \$3 fee required of agents, solicitors, counselors, and adjustors when they notify the Insurance Commissioner of a change of address.

The bill also specifically requires the reporting of electronic mail addresses.

This amendment to the Insurance Code was recommended by the Insurance and Finance Advisory Rules Committee on the grounds that these change-of-address notifications are now accomplished electronically. It is Recommendation #20 in the report by the committee (ARC), which was created by the Office of Regulatory Reinvention (ORR), in accordance with Executive Order 2011 5, as part of a comprehensive review of state regulations.

MCL 500.1238

FISCAL IMPACT:

House Bill 5890 would have a negative fiscal impact on the Office of Financial and Insurance Regulation (OFIR) amounting to an approximate reduction of \$80,000 per year in change-of-address fees collected from approximately 100,000 insurance agents, solicitors, counselors, and adjustors.

To put this amount into some perspective, during FY 2010-11, OFIR collected approximately \$6.7 million in various insurance licensing and regulation fees primarily collected from by insurance agents, solicitors, counselors, and adjustors and expended approximately \$5.6 million from those fees.

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