

SENATE BILL No. 512

June 21, 2011, Introduced by Senators MARLEAU and HILDENBRAND and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 1201 (MCL 500.1201), as amended by 2001 PA 228.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1201. As used in this chapter:

2 (a) "Agent" except as provided in section 1243 means an
3 insurance producer.

4 (b) "Business entity" means a corporation, association,
5 partnership, limited liability company, limited liability
6 partnership, or other legal entity.

7 (c) "Home state" means the District of Columbia or any state
8 or territory of the United States in which an insurance producer
9 maintains his or her principal place of residence or principal
10 place of business and is licensed to act as an insurance producer.

1 (d) "Insurance" means any of the lines of authority in chapter
2 6.

3 (e) "Insurance producer" means a person required to be
4 licensed under the laws of this state to sell, solicit, or
5 negotiate insurance.

6 (f) "License" means a document issued by this state's
7 commissioner authorizing a person to act as an insurance producer
8 for the qualifications specified in the document. The license
9 itself does not create any actual, apparent, or inherent authority
10 in the holder to represent or commit an insurer.

11 (g) "Limited line credit insurance" includes credit life,
12 credit disability, credit property, credit unemployment,
13 involuntary unemployment, mortgage life, mortgage guaranty,
14 mortgage disability, guaranteed automobile protection insurance,
15 and any other form of insurance offered in connection with an
16 extension of credit that is limited to partially or wholly
17 extinguishing that credit obligation that the commissioner
18 determines should be designated a form of limited line credit
19 insurance.

20 (h) "Limited line credit insurance producer" means a person
21 who sells, solicits, or negotiates 1 or more forms of limited line
22 credit insurance coverage to individuals through a master,
23 corporate, group, or individual policy.

24 (i) "Limited lines insurance" means any of the following:

25 (i) Marine insurance as defined in section 614.

26 (ii) Credit insurance as described in section 624(1)(e).

27 (iii) Surety and fidelity insurance as defined in section 628.

(iv) Legal expense insurance as defined in section 618.

(v) Livestock insurance as described in section 624(1)(g).

(vi) Malpractice insurance as described in section 624(1)(h).

(vii) Plate glass insurance as described in section 624(1)(c).

(viii) Any other miscellaneous insurance described in section 624(1)(i).

**(ix) PORTABLE ELECTRONICS INSURANCE AS DESCRIBED IN THE
PORTABLE ELECTRONICS INSURANCE ACT.**

~~(x)~~ ~~(ix)~~ Any other line of insurance that the commissioner considers necessary to recognize for the purposes of complying with section 1206a(5).

(j) "Limited lines producer" means a person authorized by the commissioner to sell, solicit, or negotiate limited lines insurance.

(k) "Negotiate" means the act of conferring directly with or offering advice directly to a purchaser or prospective purchaser of a particular contract of insurance concerning any of the substantive benefits, terms, or conditions of the contract, provided that the person engaged in that act either sells insurance or obtains insurance from insurers for purchasers.

(l) "Sell" means to exchange a contract of insurance by any means, for money or its equivalent, on behalf of an insurance company.

(m) "Solicit" means attempting to sell insurance or asking or urging a person to apply for a particular kind of insurance from a particular company.

(n) "Terminate" means the cancellation of the relationship

1 between an insurance producer and the insurer or the termination of
2 a producer's authority to transact insurance.

3 Enacting section 1. This amendatory act does not take effect
4 unless Senate Bill No. 511

5 of the 96th Legislature is enacted into law.