

# HOUSE BILL No. 4668

June 2, 2015, Introduced by Rep. LaFontaine and referred to the Committee on Insurance.

A bill to amend 1998 PA 58, entitled  
"Michigan liquor control code of 1998,"  
by amending section 803 (MCL 436.1803).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 803. (1) ~~Except as otherwise provided in subsection (2),~~  
2 ~~before~~ **BEFORE** the renewal or approval and granting of a retail  
3 license, a retail licensee or applicant for a retail license shall  
4 file with the commission proof of financial responsibility  
5 providing security for liability under section 801(3) of not less  
6 than \$50,000.00. The proof of financial responsibility may be in  
7 the form of cash, unencumbered securities, a policy or policies of  
8 liquor liability insurance, a constant value bond executed by a  
9 surety company authorized to do business in this state, or  
10 membership in a group self-insurance pool authorized by law that  
11 provides security for liability under section 801.

1 ~~———— (2) If the commissioner of insurance certifies, pursuant to~~  
 2 ~~section 2409b of the insurance code of 1956, 1956 PA 218, MCL~~  
 3 ~~500.2409b, that liquor liability insurance is not reasonably~~  
 4 ~~available in this state or is not available at a reasonable~~  
 5 ~~premium, the commission may waive the requirements of subsection~~  
 6 ~~(1) with regard to any affected retail licensees and applicants for~~  
 7 ~~a retail license until the commissioner of insurance certifies that~~  
 8 ~~liquor liability insurance is reasonably available or is available~~  
 9 ~~at a reasonable premium, as applicable, to the affected licensees~~  
 10 ~~and applicants.~~

11 (2) ~~(3)~~—A licensee may furnish proof of financial  
 12 responsibility that exceeds the requirements of this section.

13 (3) ~~(4)~~—An insurer under a policy or policies of liquor  
 14 liability insurance or a surety under ~~such~~ a bond shall not be  
 15 named as a defendant in an action brought against the insured or  
 16 bonded licensee for liability under section 801. Bankruptcy of the  
 17 insured ~~shall~~ **DOES** not discharge an insurer or surety under this  
 18 section from liability. Insurance policies and bonds issued for  
 19 purposes under this section shall continue from year to year unless  
 20 sooner canceled by the insurer.

21 (4) ~~(5)~~—An insured retail licensee shall not cancel ~~any such~~ **A**  
 22 liquor liability insurance **POLICY** except upon 30 days' prior  
 23 written notice to the commission and unless new proof of financial  
 24 responsibility complying with this section is procured by the  
 25 retail licensee and delivered to the commission ~~prior to~~ **BEFORE** the  
 26 expiration of the 30-day period. ~~, the license of that licensee~~  
 27 ~~shall be revoked.~~ **THE COMMISSION SHALL REVOKE THE LICENSE OF A**

1 **RETAIL LICENSEE THAT VIOLATES THIS SUBSECTION.**

2 (5) ~~(6)~~—This section does not apply to a special licensee or  
3 applicant for a special license.

4 (6) ~~(7)~~—The commission shall promulgate rules ~~pursuant to~~  
5 **UNDER** the administrative procedures act of 1969, 1969 PA 306, MCL  
6 24.201 to 24.328, to implement and enforce this section.

7 Enacting section 1. This amendatory act takes effect 90 days  
8 after the date it is enacted into law.

9 Enacting section 2. This amendatory act does not take effect  
10 unless Senate Bill No. \_\_\_\_ or House Bill No. 4667 (request no.  
11 01785'15) of the 98th Legislature is enacted into law.