

Legislative Analysis



AGENT OF INSURED OBTAINING COVERAGE FOR CONSUMER THROUGH AGENT OF INSURER

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 6444 as introduced
Sponsor: Rep. Jason Wentworth
Committee: Insurance
Complete to 11-28-18

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 6444 would amend the Insurance Code to allow an *agent of the insured* to obtain coverage for a consumer through an *agent of the insurer* and clarifies the circumstances under which this can happen.

Agent of the insured would mean an insurance producer who is not an appointed insurance producer of the insurer with which the insurance policy is placed and who is treated as representing the insured or the insured's beneficiary and not the insurer.

Agent of the insurer would mean an insurance producer who sells, solicits, or negotiates an application for insurance as a representative of the insurer and not the insured or the insured's beneficiary.

The bill would revise the Code to allow an agent of the insured to obtain coverage for a consumer through an agent of the insurer if both of the following conditions were met:

- The agent of the insured is licensed to act as an insurance producer in accordance with the Code.
- The agent of the insured has a relationship with the agent of the insurer under a written contract that specifies the extent of the agent of the insured's authority to act and that requires the maintenance of an amount of professional liability insurance, commonly known as errors and omissions insurance.

The bill would also prohibit an insurance producer from binding coverage for an insurer without being an appointed agent of the insurer.

MCL 500.1201 et al.

FISCAL IMPACT:

House Bill 6444 would not have an impact on expenditures or revenues for any unit of state or local government.

Legislative Analyst: Nick Kelly
Fiscal Analyst: Marcus Coffin

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