

INTERGOVERNMENTAL CONTRACTS BETWEEN MUNICIPAL CORPORATIONS (EXCERPT)
Act 35 of 1951

124.12a Violation; notice of complaint; notice of hearing; summary disposal of matter; action for damages; hearing; findings and decision; cease and desist order; other orders.

Sec. 12a. (1) When the commissioner has probable cause to believe that a group self-insurance pool or other person is violating, or has violated any of the provisions provided in sections 5 to 12, he or she shall give written notice to the pool or person, pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 24.201 to 24.328 of the Michigan Compiled Laws, setting forth the general nature of the complaint against the pool or person and the proceedings contemplated under this section. Before the issuance of a notice of hearing, the staff of the bureau of insurance responsible for the matters which would be at issue in the hearing shall give the pool or person an opportunity to confer and discuss the possible complaint and proceedings in person with the commissioner or a representative of the commissioner, and the matter may be disposed of summarily upon agreement of the parties. This subsection shall not be construed to create or diminish any right of a person to bring an action for damages.

(2) A hearing held pursuant to subsection (1) shall be held pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969. If, after the hearing, the commissioner determines that the pool or person is violating, or has violated, any of the provisions provided in sections 5 to 12, the commissioner shall reduce his or her findings and decision to writing, and shall issue and cause to be served upon the pool or person a copy of the findings and an order requiring the pool or person to cease and desist from engaging in the prohibited activity, and the commissioner may order any of the following:

(a) Payment of a monetary fine of not more than \$500.00 for each violation but not to exceed an aggregate fine of \$5,000.00, unless the pool or person knew or reasonably should have known it was in violation of this act, in which case the fine shall not be more than \$2,500.00 for each violation and shall not exceed an aggregate fine of \$25,000.00 for all violations committed in a 6-month period.

(b) Suspension, limitation, or revocation of the pool's right to continue to do business in this state, including, but not limited to, the liquidation and receivership of the pool in the same manner as under chapter 78 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956, being sections 500.7800 to 500.7868 of the Michigan Compiled Laws. The commissioner of insurance has the same authority to act as custodian or receiver of a group self-insurance pool as the commissioner has to act under chapter 78 of the insurance code of 1956, Act No. 218 of the Public Acts of 1956.

(c) Restitution or refund to an aggrieved person.

History: Add. 1988, Act 36, Eff. July 1, 1988.