

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.2116 Condition of licensure as insurance agent; penalizing insurance agent.**

Sec. 2116.

(1) A duly licensed insurance agent licensed to represent 1 or more insurers shall, as a condition of licensure, do all of the following:

(a) Provide each eligible person seeking automobile insurance or home insurance a premium quotation for the forms or types of insurance coverages that are offered by the insurers represented by the agent and that are sought by the eligible person.

(b) Inform the eligible person of the number of insurers that he or she represents. If the agent represents additional insurers from which the eligible person may obtain insurance, the agent may provide additional premium quotations as requested by the eligible person.

(c) Not attempt to channel an eligible person away from an insurer or insurance coverage with the purpose or effect of avoiding an agent's obligation to submit an application or an insurer's obligation to accept an eligible person.

(d) On request, submit an application of the eligible person for automobile insurance or home insurance to the insurer selected by the eligible person.

(e) For automobile insurance only, at least annually, supply, with the renewal of a policy, to each insured, unless the information is available from the insurer, all of the following:

(i) An explanation of the insurance eligibility point system.

(ii) A statement that if the insured is an eligible person he or she may qualify for insurance from more than 1 insurer, and possibly at a lower rate.

(iii) A statement that the agent will, on request, furnish to the insured a set of quotations from insurers represented by the agent from whom the insured may obtain insurance, as required in this subsection.

(2) With respect to automobile insurance or home insurance, an insurer shall not penalize an individual agent by paying less than normal commissions or normal compensation or salary because of the expected or actual experience produced by the agent's business or because of the geographic location of business written by the agent.

**History:** Add. 1979, Act 145, Eff. Jan. 1, 1981 ;-- Am. 1980, Act 461, Imd. Eff. Jan. 15, 1981 ;-- Am. 2012, Act 454, Imd. Eff. Dec. 27, 2012

**Popular Name:** Act 218

**Popular Name:** Essential Insurance

**Popular Name:** No-Fault Insurance