

HOUSE BILL No. 4146

February 14, 1989, Introduced by Reps. Runco, Brown, Bartnik, Mathieu, Porreca, Crandall, Palamara, Jaye, Allen, Barns, Dunaskiss, Hoffman, London, Honigman, Rocca, Dutko, Webb, Weeks, Middaugh, Richard A. Young, DeMars, Camp, Varga, Perry Bullard, Gire, Saunders, Alley, Bender, Fitzgerald, Gubow, Clack, Stallworth, Profit, Hoekman, Law, Sikkema, Wartner, Bennett, Martin, Muxlow, Van Singel and Gnodtke and referred to the Committee on Insurance.

A bill to amend Act No. 218 of the Public Acts of 1956,
entitled as amended
"The insurance code of 1956,"
as amended, being sections 500.100 to 500.8302 of the Michigan
Compiled Laws, by adding section 2011.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding section 2011 to read as
4 follows:

5 SEC. 2011. AN UNFAIR METHOD OF COMPETITION AND AN UNFAIR OR
6 DECEPTIVE ACT OR PRACTICE IN THE BUSINESS OF INSURANCE INCLUDES
7 AN INSURER PROVIDING A COMMISSION OR OTHER COMPENSATION TO THE
8 INSURER'S REPRESENTATIVE OR AGENT FOR THE SALE OR SERVICE OF A
9 DISABILITY POLICY OR RIDER ISSUED TO AN INDIVIDUAL ELIGIBLE FOR

1 MEDICARE, INCLUDING A POLICY PROVIDING LONG-TERM CARE COVERAGE,
2 UNLESS THE PERCENTAGE OF THE COMMISSION OR COMPENSATION PAID IN
3 THE FIRST YEAR OF THE POLICY IS NOT MORE THAN THE AMOUNT OF THE
4 COMMISSION OR COMPENSATION THAT THE INSURER'S REPRESENTATIVE OR
5 AGENT RECEIVES FOR THE POLICY IN THE 2 SUBSEQUENT, CONSECUTIVE
6 RENEWAL PERIODS.