

HOUSE BILL No. 4205

February 16, 1989, Introduced by Reps. Randall, Gnodtke, Giese and Bender 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 2006a.

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 2006a to read as
4 follows:

5 SEC. 2006A. (1) IF AN INSURER DOES NOT ACCEPT AN APPLICANT
6 FOR INSURANCE, THE INSURER OR THE INSURER'S AGENT SHALL REFUND OR
7 CAUSE TO BE REFUNDED TO THE APPLICANT, WITHIN 10 DAYS AFTER THE
8 DECISION NOT TO ACCEPT THE APPLICATION FOR INSURANCE, ANY PREMIUM
9 PAID BY THE APPLICANT.

1 (2) IF AN INSURER OR INSURER'S AGENT VIOLATES
2 SUBSECTION (1), THE PREMIUM REFUNDED SHALL BEAR SIMPLE INTEREST
3 AT THE RATE OF 18% PER ANNUM FROM A DATE BEGINNING 11 DAYS AFTER
4 THE DECISION NOT TO ACCEPT AN APPLICANT FOR INSURANCE. .

5 (3) FAILURE TO REFUND A PREMIUM UNDER SUBSECTION (1) OR TO
6 PAY INTEREST UNDER SUBSECTION (2) IS AN UNFAIR TRADE PRACTICE.