

Michigan Office of Administrative Hearings and Rules
MOAHR-Rules@michigan.gov

**AGENCY REPORT TO THE
JOINT COMMITTEE ON ADMINISTRATIVE RULES (JCAR)**

1. Agency Information

Agency name:

Insurance and Financial Services

Division/Bureau/Office:

Insurance

Name of person completing this form:

Julie Merriman

Phone number of person completing this form:

517-284-8787

E-mail of person completing this form:

merrimanj2@michigan.gov

Name of Department Regulatory Affairs Officer reviewing this form:

Sarah Wohlford

2. Rule Set Information

MOAHR assigned rule set number:

2022-38 IF

Title of proposed rule set:

Good Moral Character

3. Purpose for the proposed rules and background:

Chapter 12 of the Insurance Code of 1956, 1956 PA 218, MCL 500.1200 to 500.1247, requires applicants for certain licenses to possess “good moral character.” See MCL 500.1224 (adjuster), MCL 500.1234 (insurance counselor), MCL 500.1214 (solicitor), and MCL 500.1239 (resident and nonresident insurance producer). “Good moral character” is defined under MCL 500.1200 by reference to the definition of the term under section 1(1) of 1974 PA 381, MCL 338.41(1), as amended by 2020 PA 368. The purpose of the rules is to (a) provide standards and procedures for the Director’s review of good moral character, (b) establish procedures for applicants to submit claims rebutting the Director’s determination that a conviction evidences a lack of good moral character, and (c) identify criminal convictions that evidence a lack of good moral character that are not an existing bar to licensure under the Insurance Code of 1956.

4. Summary of proposed rules:

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The Director of the Department of Insurance and Financial Services is responsible for making determinations of “good moral character” for the purposes of licensure as an insurance producer, solicitor, adjuster, and insurance counselor under Chapter 12 of the Insurance Code of 1956. Consistent with the Insurance Code of 1956 and 1974 PA 381, the proposed rules: a) identify convictions, not already identified as a bar to licensure under the Insurance Code of 1956, that evidence an applicant’s lack of good moral character; b) establish standards for the Director’s review of an applicant’s good moral character; and c) establish procedures for an applicant to submit a claim to rebut the use of a conviction as evidence of lacking good moral character.

5. List names of newspapers in which the notice of public hearing was published and publication dates:

Oakland Press, October 4, 2022; Lansing State Journal, October 3, 2022; Escanaba Daily Press, October 3, 2022

6. Date of publication of rules and notice of public hearing in Michigan Register:

10/1/2022

7. Date, time, and location of public hearing:

10/21/2022 10:00 AM at Upper Level, Conference Room No. 6 , 611 W. Ottawa St., Lansing, Michigan 48933

8. Provide the link the agency used to post the regulatory impact statement and cost-benefit analysis on its website:

<https://ARS.apps.lara.state.mi.us/Transaction/RFRTransaction?TransactionID=1397>

9. List of the name and title of agency representative(s) attending public hearing:

Julie Merriman, Staff Attorney; Michele Riddering, Director of the Office of Insurance Licensing, Investigations, and Audits; Jill Huisken, Licensing Director in the Office of Insurance Licensing, Investigations, and Audits

10. Persons submitting comments of support:

None

11. Persons submitting comments of opposition:

None

12. Persons submitting other comments:

None

13. Identify any changes made to the proposed rules based on comments received during the public comment period:

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	Name & Organization	Comments made at public hearing	Written Comments	Agency Rationale for Rule Change and Description of Change(s) Made	Rule number & citation changed
1					

14.Date report completed:

10/31/2022