



STATE OF MICHIGAN
JOCELYN BENSON, SECRETARY OF STATE
DEPARTMENT OF STATE
LANSING

June 17, 2024

NOTICE OF FILING

ADMINISTRATIVE RULES

To: Secretary of the Senate
Clerk of the House of Representatives
Joint Committee on Administrative Rules
Michigan Office of Administrative Hearings and Rules (Administrative Rule #23-062-IF)
Legislative Service Bureau (Secretary of State Filing #24-06-02)
Department of Insurance and Financial Services

In accordance with the requirements of Section 46 of Act No. 306 of the Public Acts of 1969, being MCL 24.246, and paragraph 16 of Executive Order 1995-6, this is to advise you that the Michigan Office of Administrative Hearings and Rules filed Administrative Rule #2023-062-IF (Secretary of State Filing #24-06-02) on this date at 12:33 P.M. for the Department of Insurance and Financial Services entitled, "Surplus Lines Insurance Fees".

These rules become effective immediately upon filing with the Secretary of State unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the Secretary of State.

Sincerely,

Jocelyn Benson
Secretary of State

Lashana Threlkeld, Departmental Supervisor
Office of the Great Seal

Enclosure



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
DIRECTOR

June 17, 2024

The Honorable Jocelyn Benson
Secretary of State
Office of the Great Seal
Richard H. Austin Building – 1st Floor
430 W. Allegan
Lansing, MI 48909

Dear Secretary Benson:

Re: Administrative Rules – Michigan Office of Administrative Hearings and Rules
Administrative Rules #: 2023-62 IF

The Michigan Office of Administrative Hearings and Rules received administrative rules, dated April 15, 2024 for the Department of Insurance and Financial Services **“Surplus Lines Insurance Fees”**. We are transmitting these rules to you pursuant to the requirements of Section 46 of Act No. 306 of the Public Acts of 1969, being MCL 24.246, and paragraph 16 of Executive Order 1995-6.

Sincerely,

Michigan Office of Administrative Hearings and Rules



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES
LANSING

ANITA G. FOX
DIRECTOR

CERTIFICATE OF ADOPTION

(By authority conferred on the director of the department of insurance and financial services by sections 210 and 1955 of the insurance code of 1956, 1956 PA 218, MCL 500.210 and 500.1955, and Executive Reorganization Order No. 2013-1, MCL 550.991)

R 500.1251 is amended.

Date: April 25, 2024

A handwritten signature in black ink, appearing to read "Anita G. Fox", written over a horizontal line.

Anita G. Fox, Director



GRETCHEN WHITMER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
MICHIGAN OFFICE OF ADMINISTRATIVE HEARINGS AND RULES
SUZANNE SONNEBORN
EXECUTIVE DIRECTOR

MARLON I. BROWN, DPA
DIRECTOR

LEGAL CERTIFICATION OF RULES

I certify that I have examined the attached administrative rule, dated April 15, 2024, in which the Department of Insurance and Financial Services proposes to modify a portion of the Michigan Administrative Code entitled “**Surplus Lines Insurance Fees**” by:


- ♦ Amending R 500.1251.

The Legislative Service Bureau has approved the proposed rule as to form, classification, and arrangement.

I approve the rule as to legality pursuant to the Administrative Procedures Act, MCL 24.201 *et seq.* and Executive Order No. 2019-6. In certifying the rule as to legality, I have determined that it is within the scope of the authority of the agency, does not violate constitutional rights, and is in conformity with the requirements of the Administrative Procedures Act.

Dated: April 17, 2024

Michigan Office of Administrative Hearings and Rules

By: 
Emily Leik,
Attorney



Since 1941

Legal Division

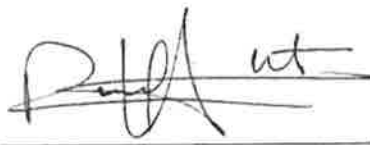
Kevin H. Studebaker, Director

CERTIFICATE OF APPROVAL

On behalf of the Legislative Service Bureau, and as required by section 45 of the Administrative Procedures Act of 1969, 1969 PA 306, MCL 24.245, I have examined the proposed rules of the Department of Insurance and Financial Services dated April 15, 2024, amending R 500.1251 of the Department's rules entitled "Surplus Lines Insurance Fees." I approve the rules as to form, classification, and arrangement.

Dated: April 17, 2024

LEGISLATIVE SERVICE BUREAU

By 
Rachel M. Hughart,
Legal Counsel

DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

INSURANCE

SURPLUS LINES INSURANCE FEES

Filed with the secretary of state on June 17, 2024

These rules become effective immediately after filing with the secretary of state unless adopted under section 33, 44, or 45a(9) of the administrative procedures act of 1969, 1969 PA 306, MCL 24.233, 24.244, or 24.245a. Rules adopted under these sections become effective 7 days after filing with the secretary of state.

(By authority conferred on the director of the department of insurance and financial services by sections 210 and 1955 of the insurance code of 1956, 1956 PA 218, MCL 500.210, and 500.1955, and Executive Reorganization Order No. 2013-1, MCL 550.991)

R 500.1251 of the Michigan Administrative Code is amended, as follows:

R 500.1251 Surplus lines insurance fee.

Rule 1. (1) Subject to the limitations set forth in section 1915 of the insurance code of 1956, 1956 PA 218, MCL 500.1915, a surplus lines licensee issuing a personal or commercial surplus lines insurance policy may charge a reasonable fee to cover underwriting and other expenses that are unique to surplus lines. Expenses unique to surplus lines may include, but are not limited to, issuing, processing, or auditing the surplus lines policy, but only to the extent the service is provided by the licensee, or the expense is incurred by the licensee, and it is documented and verifiable. Expenses unique to surplus lines do not include costs incurred in maintaining offices and compensating the licensee's employees.

(2) The licensee's fee disclosure to the insured under section 1915(2)(b) of the insurance code of 1956, 1956 PA 218, MCL 500.1915, must include whether the fee was charged in addition to a commission.

(3) The licensee shall provide proof of the itemized fees charged and evidence of the requisite disclosure of the fees to the director on request.

FILED WITH SECRETARY OF STATE

ON 6/17/24 AT 12:33 P.M.