

SENATE BILL No. 493

May 17, 2001, Introduced by Senator BULLARD and referred to the Committee on Financial Services.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 1242 (MCL 500.1242).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1242. (1) The commissioner shall refuse to grant a
2 license to act as an agent, a solicitor, an insurance counselor,
3 or an adjuster to an applicant who fails to meet the requirements
4 of this chapter. Notice of the refusal shall be in writing and
5 shall set forth the basis for the refusal. If the applicant sub-
6 mits a written request within 30 days after mailing of the notice
7 of refusal, the commissioner shall promptly conduct a hearing in
8 which the applicant shall be given an opportunity to show compli-
9 ance with the requirements of this chapter.

10 (2) The commissioner, after notice and opportunity for a
11 hearing, may suspend or revoke the license of an agent,

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1 solicitor, insurance counselor, or adjuster who fails to maintain
2 the standards required for initial licensing or who violates any
3 provision of this act.

4 (3) After notice and opportunity for a hearing, the commis-
5 sioner may refuse to grant or renew a license to act as an agent,
6 solicitor, adjuster, or insurance counselor if he OR SHE deter-
7 mines by a preponderance of the evidence, that it is probable
8 that the business or primary occupation of the applicant will
9 give rise to coercion, indirect rebating of commissions, or other
10 practices in the sale of insurance ~~which~~ THAT are prohibited by
11 law.

12 (4) Without prior hearing, the commissioner may order sum-
13 mary suspension of a license if he OR SHE finds that protection
14 of the public requires emergency action and incorporates this
15 finding in his OR HER order. The suspension shall be effective
16 on the date specified in the order or upon service of a certified
17 copy of the order on the licensee, whichever is later. If
18 requested, the commissioner shall conduct a hearing on the sus-
19 pension within a reasonable time but not later than 20 days after
20 the effective date of the summary suspension unless the person
21 whose license is suspended requests a later date. At the hear-
22 ing, the commissioner shall determine if the suspension should be
23 continued or if the suspension should be withdrawn, and, if
24 proper notice is given, may determine if the license should be
25 revoked. The commissioner shall announce his OR HER decision
26 within 30 days after conclusion of the hearing. The suspension
27 shall continue until the decision is announced.

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1 (5) The commissioner, or his OR HER designated deputy, may
2 issue subpoenas ~~with the approval of a circuit court judge of~~
3 ~~the circuit court of Ingham county~~ to require the attendance and
4 testimony of witnesses and the production of documents necessary
5 to the conduct of the hearing and may designate an ~~employee of~~
6 ~~the insurance bureau~~ OFFICE OF FINANCIAL AND INSURANCE SERVICES
7 EMPLOYEE to make service. ~~thereof.~~ The subpoenas issued by the
8 commissioner, or his OR HER designated deputy, may be enforced
9 upon ~~application by them~~ PETITION to the circuit court of
10 Ingham county ~~by proceedings in contempt thereof~~ TO SHOW CAUSE
11 WHY A CONTEMPT ORDER SHOULD NOT BE ISSUED, as provided by law.