



# HOUSE BILL No. 6432

As Amended December 4, 2018

October 4, 2018, Introduced by Rep. Webber and referred to the Committee on Insurance.

A bill to amend 1986 PA 252, entitled "The health benefit agent act," by amending sections 3 and 9 (MCL 550.1003 and 550.1009).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3. (1) Health benefits ~~shall~~**MAY** only be sold on behalf  
2 of a health benefit corporation by ~~either of the following:~~

3           ~~(a) A~~**A** health benefit agent.

4           ~~(b) An employee either of a health benefit corporation or an~~  
5 ~~affiliate of the health benefit corporation, if the employee does~~  
6 ~~not transact insurance during the tenure of his or her employment~~  
7 ~~with the health benefit corporation or the affiliate.~~

8           (2) A health benefit agent may package health benefits with  
9 such insurance as the agent is authorized to sell. **[IF AN APPLICATION FOR HEALTH BENEFITS THAT IS PACKAGED WITH INSURANCE IS SUBMITTED BY AN AGENT TO A HEALTH BENEFIT CORPORATION OR TO AN AFFILIATE OF A HEALTH BENEFIT CORPORATION AND THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH BENEFIT CORPORATION KNOWS THE AGENT OF RECORD FOR THE GROUP'S CURRENT HEALTH BENEFITS, THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH BENEFIT CORPORATION SHALL NOTIFY THE AGENT OF RECORD OF THE APPLICATION UNLESS ANY OF THE FOLLOWING APPLY:**

(A) THE SUBMITTING AGENT IS THE AGENT OF RECORD.

(B) BOTH OF THE FOLLOWING APPLY:

(i) THE GROUP AUTHORIZES CHANGING THE AGENT OF RECORD TO THE SUBMITTING AGENT.

(ii) THE AGENT OF RECORD IS NOT EMPLOYED BY A HEALTH BENEFIT CORPORATION OR AN AFFILIATE OF A HEALTH BENEFIT CORPORATION.

(C) THE GROUP REQUESTS IN WRITING THAT THE AGENT OF RECORD NOT BE NOTIFIED.

(3) IF THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH BENEFIT CORPORATION NOTIFIES THE AGENT OF RECORD UNDER SUBSECTION (2), THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH BENEFIT CORPORATION SHALL NOT PROCESS THE APPLICATION FOR 14 DAYS AFTER THE NOTIFICATION IS GIVEN UNLESS EITHER OF THE FOLLOWING APPLIES:

(A) A SHORTER PERIOD OF TIME IS AGREED TO BY THE AGENT OF RECORD.

(B) THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH BENEFIT CORPORATION RECEIVES A WRITTEN REQUEST FROM THE GROUP TO PROCEED WITH CONSIDERATION OF THE APPLICATION.]

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[(4)] A health benefit corporation shall pay to the ~~commissioner~~

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1 **DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES** an  
2 annual appointment fee of \$5.00 for each health benefit agent who  
3 is authorized to sell health benefits on behalf of the health  
4 benefit corporation.

**[(5) AS USED IN THIS SECTION, "AGENT OF RECORD" MEANS A PERSON THAT IS A HEALTH BENEFIT AGENT AUTHORIZED TO REPRESENT A SUBSCRIBER TO TRANSACT INSURANCE, INCLUDING THE PURCHASING, SERVICING, AND MAINTENANCE OF HEALTH BENEFITS AND THAT IS SHOWN ON THE RECORDS OF THE HEALTH BENEFIT CORPORATION OR THE AFFILIATE OF A HEALTH BENEFIT CORPORATION AS THE AGENT TO WHOM COMMISSION IS TO BE PAID.]**

5 Sec. 9. ~~(1)~~ An affiliate of a health benefit corporation shall  
6 **MUST** not be licensed as an insurance agent under chapter 12 of the  
7 insurance code of 1956, ~~Act No. 218 of the Public Acts of 1956,~~  
8 ~~being sections 1956 PA 218, MCL 500.1201 to 500.1244 of the~~  
9 ~~Michigan Compiled Laws 500.1247.~~

10 ~~—— (2) An employee either of a health benefit corporation or an~~  
11 ~~affiliate of a health benefit corporation who is licensed as an~~  
12 ~~insurance agent under chapter 12 of the insurance code of 1956, Act~~  
13 ~~No. 218 of the Public Acts of 1956, shall not transact insurance~~  
14 ~~during his or her employment with the health benefit corporation or~~  
15 ~~the affiliate.~~