

# SENATE BILL NO. 1072

November 07, 2024, Introduced by Senators WEBBER and SINGH and referred to the Committee on Regulatory Affairs.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 1201 (MCL 500.1201), as amended by 2018 PA 449.

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

1           Sec. 1201. As used in this chapter:

2           (a) "Agent" except as provided in section 1243 means an  
3 insurance producer.

4           (b) "Agent of the insured" means an insurance producer who is  
5 not an appointed insurance producer of the insurer with which the  
6 insurance policy is placed. An agent of the insured is treated as  
7 representing the insured or the insured's beneficiary and not the

1 insurer.

2 (c) "Agent of the insurer" means an insurance producer who  
3 sells, solicits, or negotiates an application for insurance as a  
4 representative of the insurer and not the insured or the insured's  
5 beneficiary.

6 (d) "Business entity" means a corporation, association,  
7 partnership, limited liability company, limited liability  
8 partnership, or other legal entity.

9 (e) "Home state", except as provided in section 1224, means  
10 the District of Columbia or any state or territory of the United  
11 States in which an insurance producer maintains his or her  
12 principal place of residence or principal place of business and is  
13 licensed to act as an insurance producer.

14 (f) "Insurance" means any of the lines of authority in chapter  
15 6.

16 (g) "Insurance producer" means a person required to be  
17 licensed under the laws of this state to sell, solicit, or  
18 negotiate insurance.

19 (h) "License" means a document issued by the director  
20 authorizing a person to act as an insurance producer for the  
21 qualifications specified in the document. The license itself does  
22 not create any actual, apparent, or inherent authority in the  
23 holder to represent or commit an insurer.

24 (i) "Limited line credit insurance" includes credit life,  
25 credit disability, credit property, credit unemployment,  
26 involuntary unemployment, mortgage life, mortgage guaranty,  
27 mortgage disability, guaranteed automobile protection insurance,  
28 and any other form of insurance offered in connection with an  
29 extension of credit that is limited to partially or wholly

1 extinguishing that credit obligation that the director determines  
2 should be designated a form of limited line credit insurance.

3 (j) "Limited line credit insurance producer" means a person  
4 who sells, solicits, or negotiates 1 or more forms of limited line  
5 credit insurance coverage to individuals through a master,  
6 corporate, group, or individual policy.

7 (k) "Limited lines insurance" means any of the following:

8 (i) Marine insurance as defined in section 614.

9 (ii) Credit insurance as described in section 624(1)(e).

10 (iii) Surety and fidelity insurance as defined in section 628.

11 (iv) Legal expense insurance as defined in section 618.

12 (v) Livestock insurance as described in section 624(1)(g).

13 (vi) Malpractice insurance as described in section 624(1)(h).

14 (vii) Plate glass insurance as described in section 624(1)(c).

15 (viii) Any other miscellaneous insurance described in section  
16 624(1)(i).

17 **(ix) Portable electronics insurance as defined in section 1292.**

18 **(x)** ~~(ix)~~ Any other line of insurance that the director  
19 considers necessary to recognize to comply with section 1206a(5).

20 (l) "Limited lines producer" means a person authorized by the  
21 director to sell, solicit, or negotiate limited lines insurance.

22 (m) "Negotiate" means the act of conferring directly with or  
23 offering advice directly to a purchaser or prospective purchaser of  
24 a particular contract of insurance concerning any of the  
25 substantive benefits, terms, or conditions of the contract, if the  
26 person engaged in that act either sells insurance or obtains  
27 insurance from insurers for purchasers.

28 (n) "Sell" means to exchange a contract of insurance by any  
29 means, for money or its equivalent, on behalf of an insurance

1 company.

2 (o) "Solicit" means attempting to sell insurance or asking or  
3 urging a person to apply for a particular kind of insurance from a  
4 particular company.

5 (p) "Terminate" means the cancellation of the relationship  
6 between an insurance producer and the insurer or the termination of  
7 a producer's authority to transact insurance.

8 Enacting section 1. This amendatory act does not take effect  
9 unless all of the following bills of the 102nd Legislature are  
10 enacted into law:

11 (a) Senate Bill No. 1069.

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13 (b) Senate Bill No. 1070.

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15 (c) Senate Bill No. 1071.

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17 (d) Senate Bill No. 1073.

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19 (e) Senate Bill No. 1074.

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21 (f) Senate Bill No. 1075.

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23 (g) Senate Bill No. 1076.

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25 (h) Senate Bill No. 1077.

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27 (i) Senate Bill No. 1078.