

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.1915 Charging fee in excess of \$50.00; conditions; excessive or discriminatory fee prohibited; documentation of fees; exclusion of fees in computation of premium taxes; adjustment; "consumer price index" defined.

Sec. 1915. (1) A licensee may not charge, in addition to the premium charged by an unauthorized insurer, a fee to cover the costs incurred in the placement of the indemnity which exceeds \$50.00, unless all of the following conditions are met:

(a) The fee in excess of \$50.00 is filed with the commissioner and not disapproved by the commissioner within 30 days of the date it is filed with the commissioner.

(b) The fee exceeds \$50.00 only to the extent that the actual additional costs incurred for services performed by persons or entities unrelated to the licensee exceed that amount.

(2) A fee charged pursuant to subsection (1) shall not be excessive or discriminatory. The licensee shall maintain complete documentation of all fees charged pursuant to subsection (1)(b). Those fees shall not be included as a part of the policy premium in the computation of premium taxes.

(3) The \$50.00 fee prescribed in subsection (1) shall be adjusted June 1, 2008 and annually thereafter to reflect the percentage of change in the consumer price index.

(4) As used in this section, "consumer price index" means the consumer price index for all urban consumers in the United States city average for all items, as most recently reported by the United States department of labor, bureau of labor statistics, and as certified by the commissioner in an administrative bulletin.

History: Add. 1980, Act 341, Eff. June 23, 1981;—Am. 2006, Act 644, Imd. Eff. Jan. 5, 2007.

Popular name: Act 218