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HOUSE FISCAL AGENCY

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SB496 AS REPORTED WITHOUT AMENDMENT

Sponsor: Sen. Jr., Bill Bullard

Committee: INSURANCE AND FINANCIAL
SERVICES

Analyst(s): Schneider, Bob

Completed: 2/7/02

State Fiscal Impact

Cost: Indeterminate/Decrease
Revenues: Indeterminate/Decrease

Local Fiscal Impact

Cost: None
Revenues: None

The bill would require insurance companies, associations, risk retention groups, and purchasing groups not based in Michigan to designate a resident agent for the service of legal papers. Under current law, these entities must stipulate that legal papers are to be served on the Commissioner of the Office of Financial and Insurance Services (OFIS). This practice would continue for certain unauthorized insurers without a resident agent. The bill increases the fee for service on the Commissioner from \$5 to \$10 for those insurers still utilizing this process. Overall, the bill is expected to decrease revenue to OFIS as fewer entities would have legal papers served on the Commissioner. Likewise, OFIS costs related to accepting and processing the service of legal papers would decrease by a similar amount.