

HOUSE BILL No. 6404

September 9, 2008, Introduced by Rep. Virgil Smith and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 1505 (MCL 500.1505).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 1505. (1) The commissioner may revoke or suspend the
2 license of ~~any~~**A** premium finance company ~~when and if~~ after
3 investigation it appears to the commissioner that **ANY 1 OF THE**
4 **FOLLOWING HAS OCCURRED:**

5 (a) Any license issued to ~~such~~**THE** company was obtained by
6 fraud.

7 (b) There was any misrepresentation in the application for the
8 license.

9 (c) The holder of the license has otherwise shown himself **OR**
10 **HERSELF** untrustworthy or incompetent to act as a premium finance

1 company.

2 (d) The company has violated any of the provisions of this
 3 chapter ~~or the rules and regulations promulgated hereunder~~ **UNDER**
 4 **THIS CHAPTER.**

5 (e) The company has remunerated ~~any insurance agent or any~~
 6 ~~employee of an insurance agent or to any other person,~~ **OTHER THAN**
 7 **AN INSURANCE PRODUCER OR THE EMPLOYEE OF AN INSURANCE PRODUCER,** as
 8 an inducement to the financing of any insurance policy with the
 9 premium finance company. ~~Except, that if the insurance agent~~
 10 ~~prepares the premium finance agreement, the premium finance company~~
 11 ~~may pay him a service fee not to exceed \$2.00.~~

12 (2) Before the commissioner revokes, suspends, or refuses to
 13 renew the license of ~~any~~ **A** premium finance company, he **OR SHE** shall
 14 give to the person an opportunity to be fully heard and to
 15 introduce evidence in his **OR HER** behalf. ~~In lieu~~ **INSTEAD** of
 16 revoking or suspending the license for any of the ~~causes enumerated~~
 17 ~~in this section~~ **REASONS LISTED IN SUBSECTION (1),** after a hearing,
 18 the commissioner may subject the company to a penalty of not more
 19 than \$200.00 for each offense but the total not to exceed \$1,000.00
 20 when in his **OR HER** judgment ~~he~~ **THE COMMISSIONER** finds that the
 21 public interest would not be harmed by the continued operation of
 22 the company. The amount of any penalty shall be paid by the company
 23 through the office of ~~the commissioner~~ **FINANCIAL AND INSURANCE**
 24 **REGULATION** to the state treasury. At any hearing provided by this
 25 section, the commissioner shall have authority to administer oaths
 26 to witnesses. Anyone testifying falsely, after having been
 27 administered ~~such~~ **AN** oath, shall be subject to the penalty of

1 perjury.

2 (3) If the commissioner refuses to issue or renew ~~any~~**A**
3 license or if ~~any~~**AN** applicant or licensee is aggrieved by any
4 action of the commissioner, the applicant or licensee shall have
5 the right to a hearing and court proceeding as provided for in
6 section 244.