

Legislative Analysis



ELIGIBILITY MODIFICATIONS FOR INSURANCE PRODUCER

Phone: (517) 373-8080
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House Bill 4117 as introduced
Sponsor: Rep. Brandt Iden
Committee: Insurance
Complete to 3-15-17

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4117 would amend the Insurance Code (MCL 500.1205 et al.) to modify the reasons for an automatic denial of an application for an insurance producer license (e.g. agent licenses). The bill would allow the director of the Department of Insurance and Financial Services (DIFS) to issue an insurance producer license to an applicant who has been convicted of a felony.

(For the purposes of the bill, an "insurance producer" is a person required to be licensed under the laws of this state to sell, solicit, or negotiate insurance.)

In current statute, Section 1239 of the Insurance Code lists conduct that prevent the DIFS director from issuing an insurance producer license. Among fourteen items, the list includes such activities as providing incorrect application information, violating insurance laws, improperly appropriating money in the course of insurance business, having been found guilty of insurance fraud, or having been convicted of a felony.

HB 4117 would revise this list of automatic denials in Section 1239 by rewriting the language relating to felony convictions. The new conduct in subsection (1)(f) would read: "Having been convicted of a felony **involving dishonesty or a breach of trust.**" (**Bolding** indicates the changes described in bill).

Further, as noted above, HB 4117 would add subsection 1239 (2) to stipulate that the director is not required to deny an application for an insurance producer license if the only basis for the denial is that described in subsection (1) (f) above; that is, being convicted of a felony.

FISCAL IMPACT:

House Bill 4117 would not result in significant impacts for the state or local units of government.

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