

# SENATE BILL NO. 1069

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

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 1202 (MCL 500.1202), as amended by 2020 PA 266.

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

1           Sec. 1202. (1) This chapter does not require an insurer to  
2 obtain an insurance producer license. As used in this section, the  
3 term "insurer" does not include an insurer's officers, directors,  
4 employees, subsidiaries, or affiliates.

5           (2) A license as an insurance producer is not required of any  
6 of the following:

7           (a) An officer, director, or employee of an insurer or of an

1 insurance producer, if the officer, director, or employee does not  
2 receive any commission on policies written or sold to insure risks  
3 residing, located, or to be performed in this state and meets 1 or  
4 more of the following:

5 (i) The officer's, director's, or employee's activities are  
6 executive, administrative, managerial, clerical, or a combination  
7 of these, and are only indirectly related to the sale,  
8 solicitation, or negotiation of insurance.

9 (ii) The officer's, director's, or employee's function relates  
10 to underwriting, loss control, inspection, or the processing,  
11 adjusting, investigating, or settling of a claim on a contract of  
12 insurance.

13 (iii) The officer, director, or employee is acting in the  
14 capacity of a special agent or agency supervisor assisting  
15 insurance producers if the person's activities are limited to  
16 providing technical advice and assistance to licensed insurance  
17 producers and do not include the sale, solicitation, or negotiation  
18 of insurance.

19 (b) A person who performs and receives no commission for any  
20 of the following services:

21 (i) Securing and furnishing information for the purpose of  
22 group life insurance, group property and casualty insurance, group  
23 annuities, or group or blanket accident and health insurance.

24 (ii) Securing and furnishing information for the purpose of  
25 enrolling individuals under plans, issuing certificates under  
26 plans, or otherwise assisting in administering plans.

27 (iii) Performing administrative services related to mass  
28 marketed property and casualty insurance.

29 (c) An employer or association or its officers, directors,

1 employees, or the trustees of an employee trust plan, to the extent  
2 that the employers, officers, employees, directors, or trustees are  
3 engaged in the administration or operation of a program of employee  
4 benefits for the employer's or association's own employees or the  
5 employees of its subsidiaries or affiliates, which program involves  
6 the use of insurance issued by an insurer, if the employers,  
7 associations, officers, directors, employees, or trustees are not  
8 in any manner compensated, directly or indirectly, by the company  
9 issuing the contracts.

10 (d) Employees of insurers or organizations employed by  
11 insurers who are engaging in the inspection, rating, or  
12 classification of risks, or in the supervision of the training of  
13 insurance producers and who are not individually engaged in the  
14 sale, solicitation, or negotiation of insurance.

15 (e) A person whose activities in this state are limited to  
16 advertising without the intent to solicit insurance in this state  
17 through communications in printed publications or other forms of  
18 electronic mass media, the distribution of which is not limited to  
19 residents of this state, if the person does not sell, solicit, or  
20 negotiate insurance that would insure risks residing, located, or  
21 to be performed in this state.

22 (f) A person who is not a resident of this state who sells,  
23 solicits, or negotiates a contract of insurance for commercial  
24 property and casualty risks to an insured with risks located in  
25 more than 1 state insured under that contract, if the person is  
26 otherwise licensed as an insurance producer to sell, solicit, or  
27 negotiate that insurance in the state where the insured maintains  
28 its principal place of business and the contract of insurance  
29 insures risks located in that state.

1 (g) A salaried full-time employee who counsels or advises his  
2 or her employer concerning the insurance interests of the employer  
3 or of the subsidiaries or business affiliates of the employer, if  
4 the employee does not sell or solicit insurance or receive a  
5 commission.

6 (h) A person whose only sale of insurance is for travel or  
7 auto-related insurance sold in connection with and incidental to  
8 the rental of a motor vehicle under a rental agreement for a period  
9 not to exceed 90 days.

10 (i) ~~A~~ **Subject to subsection (3)**, a person whose only sale of  
11 insurance is for portable electronics insurance sold in connection  
12 with and incidental to the sale of a portable electronic device if  
13 written disclosure material is provided to the customer at the time  
14 of solicitation and the written material includes all of the  
15 following:

16 (i) A disclosure that portable electronics insurance may  
17 duplicate coverage already provided by the customer's homeowners,  
18 renters, or other insurance policies.

19 (ii) A statement that the enrollment by the customer in a  
20 portable electronics insurance program is not required to purchase  
21 or lease a portable electronic device or services for the device.

22 (iii) A summary of the material terms of the portable  
23 electronics insurance coverage, including all of the following:

24 (A) The identity of the insurer.

25 (B) The amount of any applicable deductible and how it is to  
26 be paid.

27 (C) The benefits of the coverage.

28 (D) Key terms and conditions of the coverage, such as whether  
29 the portable electronics may be repaired or replaced with a similar

1 make and model or reconditioned or nonoriginal manufacturer parts  
2 or equipment.

3 (iv) A summary of the process for filing a claim, including a  
4 description of how to return a portable electronic device and the  
5 maximum fee applicable if the customer fails to comply with  
6 equipment return requirements.

7 (v) A statement that the customer may cancel enrollment for  
8 coverage under a portable electronics insurance policy at any time  
9 and that the person paying the premium will receive a refund of or  
10 credit for any unearned premium.

11 (j) A person whose only sale of insurance is for travel  
12 insurance sold in conjunction with and incidental to planned  
13 travel.

14 (k) A person whose only sale of insurance is stored property  
15 insurance sold in connection with and incidental to the rental of  
16 storage space in a self-service storage facility under a rental  
17 agreement for a period not to exceed 1 year if written disclosure  
18 material is provided to the customer at the time of solicitation  
19 and the written material includes all of the following:

20 (i) A disclosure that the stored property insurance may  
21 duplicate coverage already provided by the customer's homeowners,  
22 renters, or other insurance policies.

23 (ii) A summary of the material terms of the stored property  
24 insurance coverage, including all of the following:

25 (A) The identity of the insurer.

26 (B) The benefits of the coverage.

27 (C) The key terms and conditions of the coverage.

28 (iii) A summary of the process for filing a claim.

29 **(3) Subsection (2) (i) does not apply after 60 days after the**

1 **department furnishes a limited line portable electronics insurance**  
2 **producer license application under section 1298.**

3 (4) ~~(3)~~—As used in this section:

4 (a) "Motor vehicle" means a motorized vehicle designed for  
5 transporting passengers or goods.

6 (b) "Self-service storage facility" means that term as defined  
7 in section 2 of the self-service storage facility act, 1985 PA 148,  
8 MCL 570.522.

9 (c) "Stored property insurance" means insurance that provides  
10 coverage for the loss of, or damage to, tangible personal property  
11 with an insured value not exceeding \$10,000.00 contained in a  
12 storage space located on a self-service storage facility or in  
13 transit during the term of a self-service storage facility rental  
14 agreement and that is provided under a group or master policy  
15 issued to a self-service storage facility for the provision of  
16 insurance to its customers.

17 (d) "Travel insurance" means, subject to subdivision (e), a  
18 limited lines insurance coverage under section 1201(k) for personal  
19 risk incident to planned travel, including 1 or more of the  
20 following:

21 (i) Interruption or cancellation of a trip or event.

22 (ii) Loss of baggage or personal effects.

23 (iii) Damages to accommodations or rental vehicles.

24 (iv) Sickness, accident, disability, or death occurring during  
25 travel.

26 (v) Emergency evacuation.

27 (vi) Repatriation of remains.

28 (vii) Any other contractual obligations to indemnify or pay a  
29 specified amount to the traveler on determinable contingencies

1 related to travel as approved by the director.

2 (e) "Travel insurance" does not include either of the  
3 following:

4 (i) Major medical plans, which provide comprehensive medical  
5 protection for travelers with trips lasting longer than 6 months,  
6 including, for example, those working or residing overseas as an  
7 expatriate, or military personnel being deployed.

8 (ii) A product that requires a specific insurance producer's  
9 license.

10 (iii) A prearranged funeral agreement by a funeral service  
11 provider.

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

15 (a) Senate Bill No. 1070.

16

17 (b) Senate Bill No. 1071.

18

19 (c) Senate Bill No. 1072.

20

21 (d) Senate Bill No. 1073.

22

23 (e) Senate Bill No. 1074.

24

25 (f) Senate Bill No. 1075.

26

27 (g) Senate Bill No. 1076.

28

29 (h) Senate Bill No. 1077.

1

2

(i) Senate Bill No. 1078.