

THE HEALTH BENEFIT AGENT ACT (EXCERPT)
Act 252 of 1986

550.1010 Health benefit agent as fiduciary; evidence of violation of fiduciary responsibility; use of reasonable accounting methods; records required; examination of records; prohibited conduct.

Sec. 10.

(1) A health benefit agent shall be a fiduciary for all money received or held by him or her in his or her capacity as an agent. Failure by an agent in a timely manner to turn over the money which he or she holds in a fiduciary capacity to the persons to whom they are owed is prima facie evidence of violation of the agent's fiduciary responsibility.

(2) An agent shall use reasonable accounting methods to record funds received in his or her fiduciary capacity including the receipt and distribution of all premiums due each of his or her health benefit corporations. An agent shall record return premiums received by or credited to him or her which are due a subscriber on certificates reduced or canceled or which are due a prospective purchaser of health benefits as a result of a rejected or declined application. Records required by this section shall be open to examination by the commissioner.

(3) An agent shall not reward or remunerate any person for procuring or inducing business in this state, furnishing leads or prospects, or acting in any other manner as an agent.

(4) A person may not sell or attempt to sell health benefits by means of intimidation or threats, whether express or implied. Except as otherwise provided by law, a person may not induce the purchase of health benefits through a particular agent or from a particular health benefit corporation by means of a promise to sell goods, to lend money, to provide services, or by a threat to refuse to sell goods, to refuse to lend money, or to refuse to provide services.

History: 1986, Act 252, Eff. Mar. 31, 1987

Compiler's Notes: For transfer of authority, powers, duties, functions, and responsibilities of the insurance bureau and the commissioner of insurance to the commissioner of the office of financial and insurance services and the office of financial and insurance services, see E.R.O. No. 2000-2, compiled at MCL 445.2003 of the Michigan compiled laws.