

**SUBSTITUTE FOR  
HOUSE BILL NO. 6448**

[As amended December 3, 2002]

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 1202 (MCL 500.1202), as amended by 2001  
PA 228, and by adding section 402c.

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

1           SEC. 402C. (1) A CERTIFICATE OF AUTHORITY TO TRANSACT  
2   INSURANCE IN THIS STATE IS NOT REQUIRED FOR THE SALE OF ANY  
3   TRAVEL OR AUTO-RELATED INSURANCE COVERAGES BY A MOTOR VEHICLE  
4   RENTAL COMPANY OR ITS OFFICERS OR EMPLOYEES IN CONNECTION WITH  
5   AND INCIDENTAL TO THE RENTAL OF A MOTOR VEHICLE.

6           (2) AS USED IN THIS SECTION:

7           (A) "MOTOR VEHICLE" MEANS A MOTORIZED VEHICLE DESIGNED FOR  
8   TRANSPORTING PASSENGERS OR GOODS[.

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1           (B) "MOTOR VEHICLE RENTAL COMPANY" MEANS ANY PERSON IN THE  
2 BUSINESS OF PROVIDING MOTOR VEHICLES TO THE PUBLIC UNDER A RENTAL  
3 AGREEMENT FOR A PERIOD NOT TO EXCEED 90 DAYS.

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

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

11           (a) An officer, director, or employee of an insurer or of an  
12 insurance producer, provided that the officer, director, or  
13 employee does not receive any commission on policies written or  
14 sold to insure risks residing, located, or to be performed in  
15 this state and meets 1 or more of the following:

16           (i) The officer's, director's, or employee's activities are  
17 executive, administrative, managerial, clerical, or a combination  
18 of these, and are only indirectly related to the sale, sollicita-  
19 tion, or negotiation of insurance.

20           (ii) The officer's, director's, or employee's function  
21 relates to underwriting, loss control, inspection, or the pro-  
22 cessing, adjusting, investigating, or settling of a claim on a  
23 contract of insurance.

24           (iii) The officer, director, or employee is acting in the  
25 capacity of a special agent or agency supervisor assisting insur-  
26 ance producers where the person's activities are limited to  
27 providing technical advice and assistance to licensed insurance

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1 producers and do not include the sale, solicitation, or  
2 negotiation of insurance.

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

5 (i) Securing and furnishing information for the purpose of  
6 group life insurance, group property and casualty insurance,  
7 group annuities, or group or blanket accident and health  
8 insurance.

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

12 (iii) Performing administrative services related to mass  
13 marketed property and casualty insurance.

14 (c) An employer or association or its officers, directors,  
15 employees, or the trustees of an employee trust plan, to the  
16 extent that the employers, officers, employees, directors, or  
17 trustees are engaged in the administration or operation of a pro-  
18 gram of employee benefits for the employer's or association's own  
19 employees or the employees of its subsidiaries or affiliates,  
20 which program involves the use of insurance issued by an insurer,  
21 as long as the employers, associations, officers, directors,  
22 employees, or trustees are not in any manner compensated,  
23 directly or indirectly, by the company issuing the contracts.

24 (d) Employees of insurers or organizations employed by  
25 insurers who are engaging in the inspection, rating, or classifi-  
26 cation of risks, or in the supervision of the training of

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1 insurance producers and who are not individually engaged in the  
2 sale, solicitation, or negotiation of insurance.

3 (e) A person whose activities in this state are limited to  
4 advertising without the intent to solicit insurance in this state  
5 through communications in printed publications or other forms of  
6 electronic mass media where distribution is not limited to resi-  
7 dents of the state, provided that the person does not sell,  
8 solicit, or negotiate insurance that would insure risks residing,  
9 located, or to be performed in this state.

10 (f) A person who is not a resident of this state who sells,  
11 solicits, or negotiates a contract of insurance for commercial  
12 property and casualty risks to an insured with risks located in  
13 more than 1 state insured under that contract, provided that that  
14 person is otherwise licensed as an insurance producer to sell,  
15 solicit, or negotiate that insurance in the state where the  
16 insured maintains its principal place of business and the con-  
17 tract of insurance insures risks located in that state.

18 (g) A salaried full-time employee who counsels or advises  
19 his or her employer concerning the insurance interests of the  
20 employer or of the subsidiaries or business affiliates of the  
21 employer provided that the employee does not sell or solicit  
22 insurance or receive a commission.

23 (H) A PERSON WHOSE ONLY SALE OF INSURANCE IS FOR TRAVEL OR  
24 AUTO-RELATED INSURANCE SOLD IN CONNECTION WITH AND INCIDENTAL TO  
25 THE RENTAL OF A MOTOR VEHICLE UNDER A RENTAL AGREEMENT FOR A  
26 PERIOD NOT TO EXCEED 90 DAYS.

