

HOUSE BILL NO. 5196

October 24, 2023, Introduced by Reps. Aragona, MacDonell, Wilson, Brenda Carter, Harris, Scott, Bezotte, Breen, Coleman, Stone, O'Neal, Neeley, Young, Hope, Dievendorf, Haadsma, Rheingans, DeBoer, Brabec, Tyrone Carter, Martus, Fitzgerald, Edwards and Aiyash and referred to the Committee on Insurance and Financial Services.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 150 (MCL 500.150), as amended by 2019 PA 21.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 150. (1) Any person who violates any provision of this
2 act for which a specific penalty is not provided under any other
3 provision of this act or of other laws applicable to the violation
4 must be afforded an opportunity for a hearing before the director
5 under the administrative procedures act of 1969, 1969 PA 306, MCL
6 24.201 to 24.328. If the director finds that a violation has
7 occurred, the director shall reduce the findings and decision to

1 writing and issue and cause to be served on the person charged with
2 the violation a copy of the findings and an order requiring the
3 person to cease and desist from the violation. In addition, the
4 director may order any of the following:

5 (a) Payment of a civil fine of not more than \$1,000.00 for
6 each violation. However, if the person knew or reasonably should
7 have known that he or she was in violation of this act, the
8 director may order the payment of a civil fine of not more than
9 \$5,000.00 for each violation. With respect to filings made under
10 chapters 21, 22, 23, 24, and 26, "violation" means a filing not in
11 compliance with those chapters and does not include an action with
12 respect to an individual policy based on a noncomplying filing.
13 **With respect to an act or omission described in section 4503, a**
14 **fine under this section may be ordered in addition to and not**
15 **instead of a penalty or restitution under section 4511.** An order of
16 the director under this subdivision must not require the payment of
17 civil fines exceeding \$50,000.00. A fine collected under this
18 subdivision must be turned over to the state treasurer and credited
19 to the general fund.

20 (b) The suspension, limitation, or revocation of the person's
21 license or certificate of authority.

22 (2) After notice and opportunity for hearing, the director may
23 by order reopen and alter, modify, or set aside, in whole or in
24 part, an order issued under this section if, in the director's
25 opinion, conditions of fact or law have changed to require that
26 action or the public interest requires that action.

27 (3) If a person knowingly violates a cease and desist order
28 under this section and has been given notice and an opportunity for
29 a hearing held under the administrative procedures act of 1969,

1 1969 PA 306, MCL 24.201 to 24.328, the director may order a civil
2 fine of \$20,000.00 for each violation, or a suspension, limitation,
3 or revocation of the person's license, or both. A fine collected
4 under this subsection must be turned over to the state treasurer
5 and credited to the general fund.

6 (4) The director may apply to the court of claims for an order
7 of the court enjoining a violation of this act.