

DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES

INSURANCE BUREAU

SURPLUS LINES INSURANCE FEES

(By authority conferred on the commissioner of insurance by section 210 of Act No. 218 of the Public Acts of 1956, as amended, being S500.210 of the Michigan Compiled Laws)

R 500.1251 Surplus lines insurance fee.

Rule 1. (1) A surplus lines licensee may charge, in addition to the premium charged by an unauthorized insurer, a fee to cover the costs incurred in the placement of the insurance which exceeds \$25.00 when the actual costs incurred for services performed by persons or entities unrelated to the licensee exceed that amount. Costs unrelated to the licensee include the costs incurred in obtaining any of the following:

(a) Government records.

(b) Inspection reports.

(c) Financial ratings.

(d) Consumer investigation reports. Costs unrelated to the licensee do not include costs incurred in maintaining offices and compensating the licensee's employees.

(2) All fees shall be itemized and the reason for each charge shall be clearly stated on the invoice issued to the insured.

(3) The licensee shall file both of the following with the commissioner in the form and manner prescribed by the commissioner:

(a) A report of all fees in excess of \$25.00 charged by the licensee.

(b) An affidavit stating that the licensee has not received compensation for the cost of these services from the unauthorized insurer.

History: 1981 AACS.