

**DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**INSURANCE**

**SURPLUS LINES INSURANCE FEES**

(By authority conferred on the director of the department of insurance and financial services by sections 210 and 1955 of the insurance code of 1956, 1956 PA 218, MCL 500.210, and 500.1955, and Executive Reorganization Order No. 2013-1, MCL 550.991)

**R 500.1251 Surplus lines insurance fee.**

Rule 1. (1) Subject to the limitations set forth in section 1915 of the insurance code of 1956, 1956 PA 218, MCL 500.1915, a surplus lines licensee issuing a personal or commercial surplus lines insurance policy may charge a reasonable fee to cover underwriting and other expenses that are unique to surplus lines. Expenses unique to surplus lines may include, but are not limited to, issuing, processing, or auditing the surplus lines policy, but only to the extent the service is provided by the licensee, or the expense is incurred by the licensee, and it is documented and verifiable. Expenses unique to surplus lines do not include costs incurred in maintaining offices and compensating the licensee's employees.

(2) The licensee's fee disclosure to the insured under section 1915(2)(b) of the insurance code of 1956, 1956 PA 218, MCL 500.1915, must include whether the fee was charged in addition to a commission.

(3) The licensee shall provide proof of the itemized fees charged and evidence of the requisite disclosure of the fees to the director on request.

History: 1981 AACS; 2015 AACS; 2024 MR 11, Eff. June 17, 2024.