

**STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

Bulletin 2022-08-INS

In the matter of:

**Standards of Trustworthiness and Competence
under MCL 500.1505(1)(c)**

**Issued and entered
this 27th day of February 2022
by Anita G. Fox
Director**

This bulletin informs premium finance companies that the Director of the Department of Insurance and Financial Services (DIFS) expects such companies to verify the licensure of all agents listed on insurance premium finance agreements in order to demonstrate trustworthiness and competency as required by Section 1505(1)(c) of the Code, MCL 500.1505(1)(c).

Section 1505(1)(c) provides the Director with authority to revoke or suspend the license of a premium finance company if, after investigation, it appears to the Director that the holder of the license has shown himself or herself to be untrustworthy or incompetent to act as a premium finance company. Chapter 15 of the Code does not define the terms “untrustworthy or incompetent,” leaving such determinations to the reasonable exercise of the Director’s discretion.

This Bulletin shall serve as notice that an inherent expectation of all premium finance companies’ duty to be trustworthy and competent shall be that they will only list insurance agents on their premium finance agreements after the premium finance company has verified the licensure status of the listed agents. Accordingly, the premium finance company must verify that any agent listed on a premium finance agreement pursuant to Section 1508(1)(b) of the Code, MCL 500.1508(1)(b), is a licensed insurance producer in order to ensure consumer confidence in the integrity of the premium finance market.

Premium finance companies are encouraged to use the DIFS Insurance License lookup page to confirm an agent’s licensure.

Insurance Agency Locator: <https://difs.state.mi.us/locators?searchtype=InsAgency>

Insurance Agent Locator: <https://difs.state.mi.us/locators?searchtype=InsAgent>

Any questions regarding this bulletin should be directed to:

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/s/

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