

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.2478 Violation of chapter; imposition and disposition of civil fine; suspension or revocation of license.**

Sec. 2478.

(1) Subject to subsection (3), the commissioner may, if he or she finds that any person or organization has violated a provision of this chapter, previous to the date of his or her finding, impose a civil fine of not more than \$300.00 for each violation, and if the violation is wilful, the commissioner may impose a civil fine of not more than \$1,500.00 for each violation. A civil fine shall not be imposed for an offense that was committed more than 12 months prior to the date of the commissioner's findings. A fine collected under this subsection shall be turned over to the state treasurer and credited to the general fund of the state.

(2) The commissioner may suspend the license of any rating organization or insurer which fails to comply with an order of the commissioner within the time specified by the order, or any extension of the order which the commissioner may grant, but the suspension shall not affect the validity or continued effectiveness of rates previously filed and effective. The commissioner shall not suspend the license of any rating organization or insurer for failure to comply with an order until the time prescribed for an appeal from the order has expired, or, if an appeal has been taken, until the order has been affirmed. The commissioner may determine when a suspension of license shall become effective, and the suspension shall remain in effect for the period fixed by him or her, unless he or she modifies or rescinds the suspension, or until the order upon which the suspension is based is modified, rescinded, or reversed.

(3) A civil fine shall not be imposed and a license shall not be suspended or revoked except upon a written order of the commissioner, specifying the alleged violation and stating his or her findings, made after a hearing held upon not less than 10 days' written notice to the person or organization. An order issued by the commissioner pursuant to this section shall not require the payment of civil fines exceeding \$10,000.00.

**History:** 1956, Act 218, Eff. Jan. 1, 1957 ;-- Am. 1984, Act 7, Imd. Eff. Feb. 1, 1984

**Popular Name:** Act 218