



## Michigan Automobile Insurance Placement Facility

October 4, 2019

RE: BULLETIN NO. 177 TO ALL MEMBER COMPANIES

### CHANGES TO PLAN OF OPERATION

The Michigan Automobile Insurance Placement Facility is proposing to amend its Plan of Operation by virtue of revising Section 19 ("PERFORMANCE STANDARDS FOR PRODUCERS OF RECORD") and creating new sections, Sections 20 through 24. The changes will align the Plan with Section 3355 of the Insurance Code and include:

- Bolstering Plan language regarding producer performance standards and compliance with those standards, including identifying behavior which may be grounds for immediate disqualification;
- Inclusion of Plan language to ensure a robust disqualification process intended to protect the interests of both the producer and the Facility; and
- Inclusion of Plan language regarding the reinstatement process for disqualified producers to ensure compliance with the statutory requirements under 3355.

A red-lined version and a clean copy of the proposed changes are attached/enclosed for your convenience. Both may also be viewed at the voting website listed below.

The MAIPF Board of Governors has approved this amendment. In accordance with state law, all revisions to the Plan of Operation must be ratified by a majority vote of the membership. Therefore, we are requesting that you, as a member company, cast your ballot regarding the proposed amendment outlined above.

**Companies may cast their weighted vote at <https://www.maipf.org/web/guest/ballot> or you may return your ballot to my attention by mail or fax.**

Sincerely,  
**Bret Scott**  
MAIPF Operations Manager

**SECURITY KEY FOR VOTING ONLINE: plan2019**

MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY  
BALLOT for Bulletin No. 177—Plan of Operation Amendment

Company: MAIPF NAIC: 99999 Vote Weights: 123456

**Instructions:** Companies may cast their weighted vote at <https://www.maipf.org/web/guest/ballot> or you may return this completed ballot to MAIPF at the address or fax number listed below. Votes must be received by October 29, 2019. Please do not consolidate company vote weights. Submit one ballot for each company.

**SECURITY KEY FOR VOTING ONLINE: plan2019**

**CHANGES TO PLAN OF OPERATION**

Please record our company weighted votes as follows:

Approve

Disapprove

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Date*

**Update to Member Company Contact Information**

Complete the form below **only** if there are updates needed to your contact information. If contact information will remain the same, there is no need to complete this form.

- If you are submitting your vote online, there is no need to complete this form. You will have the ability to update your information through the electronic voting process.
- If you received this bulletin and ballot in the mail (not via email), please provide an email address for MAIPF records. An email address will be required for future elections.

Print Name:		Title:	
E-mail Address:			
Company Name:			
Address, City, State, Zip code:			
Please specify any change in name, ownership or status.			

MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY  
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**Sec. 19. PERFORMANCE STANDARDS FOR PRODUCERS OF RECORD**

Producers must ~~meet~~ adhere to the performance standards listed below and as further delineated within the MAIPF Manual, Producer Guide, and Producer Violation Guidelines (which are incorporated herein by reference and collectively constitute the "Producer Performance Guidelines") ~~for~~ when placing and servicing Facility risks:\_\_\_

**A. Original Applications**

1. Applications shall be fully completed and must include the following:
  - a. Necessary information, in accordance with the Producer Performance Guidelines, to rate and issue the policy, prepare a bill, and make any required financial responsibility or motor carrier filings. This includes, but it not limits to:
    - (1) Valid vehicle ownership documentation;
    - (2) Valid driver's licenses for all vehicle operators;
    - a.(3) Valid documentation related to coverage selection, rejection, or discounts; when required under the laws of the State of Michigan and/or MAIPF Producer Performance Guidelines.
  - b. Name, address, and system identification number of producer; and
  - c. Original ~~S~~signature of applicant and producer and the name of the producer legibly printed or typed
2. Deposit premiums shall be submitted concurrently and in accordance with Producer Performance with the application in accordance with the Facility rules. Guidelines

2. \_\_\_\_\_

For all applications where applicants are seeking immediate coverage, Producers must complete the "Immediate Coverage" section of the application. The application must be mailed with adequate postage, include the appropriate deposit and/or premium amount, and must be submitted. Applications requiring immediate coverage shall have the immediate coverage section of the application completed and mailed with adequate postage within the required time frame in accordance with Producer Performance Guidelines ~~the Facility rules.~~

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**G.B. Return Commissions**

Return commissions shall be paid within fifteen (15) days from the date of notice to the producer.

**D.C. Policy Change Request**

When an insured requests a policy change, the producer must report it to the servicing carrier with the required deposit, if necessary, and the necessary information to complete the requested change, in accordance with Producer Performance Guidelines, within the required time frame using the required form.

**E.D. Claims**

When an insured reports an accident or claim to the producer, the producer shall report it to the carrier within one working day in accordance with the instruc-

tions of the insurer. If requested by the carrier, the producer shall provide the best known contact information for the insured for the purposes of conducting the claims process.

**F.E. Payments**

Producers shall remit all payments received from insureds within one working day.

**G.F. Electronic Application and Rating System**

1. Producers of record who are authorized to transact automobile insurance business in the state shall ~~use have the option to use~~ the MAIPF electronic application and rating system ("ERS") to complete applications unless the system is unavailable. Applications completed in the ERS by using the electronic application and rating system must be submitted with required documentation and deposit premiums as set forth under the rules for original applications outlined in under Sec. tion ~~19.A.~~ Coverage will be effective only when the electronic submission is transmitted in accordance with Producer Performance Guidelines under the procedures established and authorized by the Facility and the completed application is delivered to the Facility Office.
  2. Retraction Procedure  
Following assignment of a confirmation number and prior to the mailing of a completed signed application to the Facility, the producer of record may retract the application in accordance with Producer Performance Guidelines, Facility procedures.
  3. ~~If~~ violations pertaining to the use of the ERS electronic application and rating system have occurred, the MAIPF Director of Operations or his/her functional equivalent General Manager may recommend limited ~~access~~, suspension of access for a period of time, and/or immediate termination of access ~~producer access~~ to the System ~~ERS~~. The determination regarding Producer access may be based on the egregious nature of the conduct, the repetitive nature of the conduct, and the gravity of the circumstances (i.e. access and conduct which constitutes unlawful or prohibited conduct under the laws of the State of Michigan will result in immediate termination of access to the ERS). The Facility shall notify the producer in writing of the limitation or suspension and will provide a written statement of the alleged violations against the producer. A producer may appeal the Facility's decision in accordance with Secs. 22 and 23 of the Plan. ~~request a hearing before the Board of Governors, or its designee, to appeal suspension of his or her access to the electronic application and rating system.~~ Appeals must be made in writing to the General Manager, who will then schedule a hearing to take place within 20 business days of the request. Within seven days of the hearing, the Facility shall notify the producer, in writing, of the Board of Governors' decision. Any final decision of the Board of Governors under this Section shall be subject to the right of appeal to the Director.
- H. Procedures for Compliance with the Performance Standards for Producers**
- ~~\_\_\_\_\_~~ The Facility shall maintain a record of infractions of performance standards and shall bring repeated violations to the producer's attention via telephone

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and/or a letter to the producer. This contact will include a warning that if violations continue to occur, the producer may be disqualified.

— If repeated violations have occurred, the Facility shall determine if a hearing is warranted, and shall so notify the producer. If repeated violations continue after the hearing, the Facility will refer the producer to the Board of Governors, or its designee, with a history of the producer's violations. Serious and flagrant violations of Facility performance standards, including but not limited to falsified applications and/or certificates, may result in a hearing and the possibility of immediate disqualification.

— The Board of Governors, or its designee, shall determine if the Facility should continue to monitor the producer, or if the producer should be disqualified.

#### 1. Disqualification

— If the Board of Governors, or its designee, disqualifies the producer, the following action shall be taken:

a. — The Facility shall send a notice to the producer via certified mail, with a copy to DIFS, indicating that disqualification will go into effect 15 days from the date of the letter. The notice shall include information required by Section 3355(7C).

b. — If the producer does not respond to the above notice from the Facility, the disqualification shall go into effect, and the Facility shall notify DIFS.

c. — The producer may appeal the decision to the Facility, in writing, within 15 days from the date of the notice of disqualification. The producer may, upon written request and payment of a reasonable copying charge, receive any information pertinent to the disqualification.

#### 2. Appeal to the Board of Governors

a. — If the producer appeals the decision in writing, a hearing will be held within 10 business days of the written request.

b. — The Board, or its designee, will rule within five business days after the hearing.

c. — During the Board of Governors appeal process, disqualification is suspended until the final ruling by the Board, or its designee.

d. — If the Board, or its designee, determines that the producer should not be disqualified, the disqualification shall be lifted, and the Facility shall continue to monitor violations.

e. — If the Board, or its designee, determines that the producer should be disqualified, the Facility shall send a notice to the producer advising

— • the disqualification shall take effect five days from the date of the notice;

— • the date when the producer would be eligible to request that the disqualification be removed and the procedures for such a request;

— • procedures and instructions for the producer to appeal the decision to the Director, including that the request must be made in writing and within 30 days from the date of the Board's ruling.

#### 3. Appeal to Director

— **Disqualification shall be in effect during the appeal process to the Director.**

— If the producer appeals the decision by the Board of Governors, or its designee, in writing to the Director, the Director will conduct a hearing.

— If the Director disapproves the disqualification, the Facility will continue to monitor violations.

— The Director may request the Board of Governors to reconsider the disqualification. If requested, the Board, or its designee, shall meet within 10 business days of receipt of the request, and shall issue its decision within five business days after meeting.

4. — If the producer does not make an appeal to the Board of Governors or the Director in writing, no further action by the Facility is necessary.

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**Sec. 20. COMPLIANCE WITH PERFORMANCE STANDARDS**

Producers are expected to comply with the Producer Performance Guidelines, as defined within Sec. 19.

**A. Assessment of Violations**

The Facility shall maintain a record of a producer's violations of the Producer Performance Guidelines, either due to action or inaction, and shall notify the producer of repeated violations in writing. This notification will include a warning that if violations continue to occur, the producer may be disqualified. In addition to written notification, the Facility may also contact the producer via telephone.

Actions which may result in immediate disqualification include, but are not limited to:

1. Material and willful misrepresentation or falsified information on the part of the producer;
2. Failure to forward all monies collected from the insured in a timely manner;
3. Manipulation of the MAIPF ERS to generate a lower rate; and/or
4. Conduct which constitutes unlawful or prohibited conduct under the laws of the State of Michigan.

**C. Hearing Before the Facility**

In the event the producer is referred for a hearing before the Facility, the producer shall be notified in writing. The notice of hearing with Facility staff shall include:

1. Reasons for the hearing and identifying specific violations and/or deficiencies to be addressed at the hearing;
2. A brief description of the hearing process, including notification that the hearing will take place with a court reporter for the purpose of taking sworn testimony;
3. A statement that should the producer choose not to appear for the hearing, this may serve as an additional basis for disqualification; and
4. A statement that a written response to the notice, via email or mail, must be provided within ten (10) calendar days of the date of notice.

During the hearing, the Facility shall present its findings and the producer will be afforded an opportunity to respond to the findings. Based on the information obtained during the hearing, the Facility shall determine if the producer's conduct warrants escalation to the Board of Governors, or its designee, for immediate consideration of disqualification. If the Facility determines escalation is unwarranted at the time, and if violations persist, the Facility may then refer the producer to the Board of Governors, or its designee, for consideration of disqualification.

**Sec. 21. DISQUALIFICATION**

If repeated violations of the Producer Performance Guidelines continue to occur after the first notification, the Facility shall notify the producer of the repeated violations in writing. Within thirty (30) calendar days of the second notification letter, the producer must participate in a training session provided by Facility staff. If the required training is not completed, the producer may be subject to disqualification. If repeated infractions of performance standards contained in this section continue after the training session, notice will be sent to the producer advising him/her of his/her right to a hearing before the Facility.

**B. Serious & Flagrant Violations/Immediate Disqualification**

Serious and flagrant violations of the Producer Performance Guidelines may result in referral for a hearing before the Facility and/or potential immediate disqualification.

The Facility may disqualify a producer who persistently violates Producer Performance Guidelines, acts in contravention of Michigan civil, criminal and/or administrative laws including laws governing producers and the Insurance Code, or is assessed serious/flagrant violations warranting immediate disqualification as set forth herein.

In the event of disqualification by the Board of Governors, or its designee, the Facility shall send written notification, which conforms with MCL 500.3355(7)(c), to the producer via certified mail with a copy to the Department of Insurance and Financial Services, or its equivalent.

Said disqualification shall become effective fifteen (15) calendar days from the date of the notification letter.

On or after the effective date of the disqualification, the disqualified producer shall not do any of the following during the period of disqualification:

- A. Solicit, negotiate, or effect automobile insurance on behalf of any participating member through the facility.
- B. Submit new applications to the facility.
- C. Service any existing facility policies except as permitted by the Facility's Producer Performance Guidelines.
- D. Be entitled to compensation for either new business applications or renewals.
- E. Obtain any binders, certificates or other supplies from the facility. Existing binders or other supplies shall be surrendered to the facility upon request.

Disqualification under this section does not affect the disqualified producer's authority to place automobile insurance through an authorized insurer in the voluntary market.

**Sec. 22. APPEAL OF FACILITY DECISIONS TO THE BOARD OF GOVERNORS, OR ITS DESIGNEE**

A producer may submit a written request for appeal hearing before the Facility's Board of Governors, or its designee, no later than ten (10) business days of the date of a letter notifying the producer of a Facility decision. If a written request for appeal hearing is received by the Facility, the Facility shall suspend its decision pending a ruling by the Board of Governors, or its designee. Upon written request and payment of a

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reasonable copying charge, the producer shall receive any information pertinent to the disqualification.

The Board of Governors, or its designee, shall hold a hearing no later than ten (10) business days after receipt of the written request for appeal hearing.

During the hearing, the Facility shall present its findings and the producer will be afforded an opportunity to respond to the findings. The Board of Governors, or its designee, shall determine if there were sufficient grounds for the Facility's decision based on the information presented during the appeal hearing. If additional information is necessary, the Board of Governors, or its designees, shall request such information in writing from the relevant party.

The Board of Governors, or its designee, shall issue a ruling no later than five (5) days after the hearing (or no later than five (5) days after the request for additional information is dated) and shall so notify the producer, the Facility and the Department of Insurance and Financial Services, or its equivalent. A ruling of disqualification by the Board of Governors, or its designee, shall become effective five (5) calendar days after the date of ruling.

**Sec. 23. APPEAL OF FACILITY DECISIONS TO THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES OR ITS EQUIVALENT**

A ruling of disqualification by the Facility's Board, or its designee, or other Facility decisions may be appealed to the Department of Insurance and Financial Services or its equivalent by filing a written notice of appeal with the Facility and the Department within thirty (30) calendar days after the date of the ruling or date of notification of the Facility decision.

The disqualification ruling shall remain in effect during the appeal process with the Department of Insurance and Financial Services. The appeal process with the Department of Insurance and Financial Services shall be in accordance with the standards, rules and guidelines as set forth by the Department, and not by the Facility.

**Sec. 24. REINSTATEMENT AFTER DISQUALIFICATION**

A producer who has been disqualified may petition the Facility for reinstatement after the disqualification period has run in accordance with MCL 500.3355(7)(b). The petition must be in writing and shall contain, at a minimum, the following:

1. Documented corrective action plan(s) developed to prevent future violations of Producer Performance Guidelines; and
2. Written verification and/or acknowledgment by the producer that the documented corrective plan(s) have been implemented and shared with any and all agency employees involved with submitting business to the Facility and/or servicing of existing Facility customers.

The producer may provide additional information in his/her petition to be considered by the Facility.

Upon receipt of a petition to remove a disqualification, the Facility shall consider the information provided by the producer and notify the producer, in writing, of its decision within ten (10) business days of receipt of the written request. The Facility may, at its discretion, seek input from the Board of Governors, or its designee, prior to rendering a decision regarding reinstatement. If the Facility determines reinstatement is not appropriate, it shall provide the reason(s) for the determination.

The producer may appeal the Facility's unfavorable decision in accordance with Secs. 22 and 23, if necessary.

Future conduct and violations will be assessed in accordance with the Plan of Operations and the Producer Performance Guidelines.

Producers and any and all agency employees involved with submitting business to the Facility and/or servicing of existing Facility customers will also be required to attend a training session, the terms of which will be determined by the Facility, within thirty (30) calendar days of the effective date of the reinstatement/removal of the disqualification.

If the producer, and any other employee who is involved in the submission of applications to the Facility or the servicing of existing Facility customers, fails to attend the training session within thirty (30) calendar days, access to the ERS will be suspended until the required training session has been completed.

A producer whose license is suspended or revoked by the Department of Insurance and Financial Services at the time of petition is ineligible for reinstatement with the Facility. Upon re-activation or reinstatement of the producer's license by the Department of Insurance and Financial Services, the producer may petition the Facility for removal of disqualification in accordance with this section and subject to the Producer Performance Guidelines.

## **MAIPF PLAN OF OPERATION (EDITING CURRENT LANGUAGE)**

### **Sec. 19. PERFORMANCE STANDARDS FOR PRODUCERS OF RECORD**

Producers must adhere to the performance standards listed below and as further delineated within the MAIPF Manual, Producer Guide, and Producer Violation Guidelines (which are incorporated herein by reference and collectively constitute the “Producer Performance Guidelines”) when placing and servicing Facility risks:

#### **A. Original Applications**

1. Applications shall be fully completed and must include the following:

a. Necessary information, in accordance with the Producer Performance Guidelines, to rate and issue the

policy, prepare a bill, and make any required

financial responsibility or motor carrier filings. This includes, but is not limited to:

- i) Valid vehicle ownership documentation;
- ii) Valid driver’s licenses for all vehicle operators;
- iii) Valid documentation related to coverage selection, rejection, or discounts; when required under the laws of the State of Michigan and/or MAIPF Producer Performance Guidelines.

b. Name, address, and system identification number of producer; and

c. Original signature of applicant and producer and the name of the producer legibly printed or typed.

2. Deposit premiums submitted concurrently and in accordance with Producer Performance Guidelines.

For all applications where applicants are seeking immediate coverage, Producers must complete the “Immediate Coverage” section of the application. The application must be mailed with adequate postage, include the appropriate deposit and/or premium amount, and must be submitted within the required time frame in accordance with Producer Performance Guidelines.

#### **B. Return Commissions**

Return commissions shall be paid within fifteen (15) days from the date of notice to the producer.

#### **C. Policy Change Request**

When an insured requests a policy change, the producer must report it to the servicing carrier with the required deposit, if necessary, and the necessary information to complete the requested change, in accordance with Producer Performance Guidelines.

#### **D. Claims**

When an insured reports an accident or claim to the producer, the producer shall report it to the carrier

within one working day in accordance with the instructions of the insurer. If requested by the carrier, the producer shall provide the best known contact information for the insured for the purposes of conducting the claims process.

### **E. Payments**

Producers shall remit all payments received from insureds within one working day.

### **F. Electronic Application and Rating System**

1. Producers of record who are authorized to transact automobile insurance business in the state shall use the MAIPF electronic rating system ("ERS") unless the system is unavailable.

Applications completed in the ERS must be submitted with the required documentation and deposit premiums as set forth under Sec. 19. Coverage will be effective only when the electronic submission is transmitted in accordance with Producer Performance Guidelines and the completed application is delivered to the Facility Office.

#### **2. Retraction Procedure**

Following assignment of a confirmation number and prior to the mailing of a completed signed application to the Facility, the producer of record may retract the application in accordance with Producer Performance Guidelines.

3. If violations pertaining to the use of the ERS have occurred, the MAIPF Director of Operations or his/her functional equivalent, may recommend limited access; suspension of access for a period of time; and/or immediate termination of access to the ERS. The determination regarding Producer access may be based on the egregious nature of the conduct, the repetitive nature of the conduct, and the gravity of the circumstances (i.e. access and conduct which constitutes unlawful or prohibited conduct under the laws of the State of Michigan will result in immediate termination of access to the ERS). The Facility shall notify the producer in writing of the limitation or suspension and will provide a written statement of the alleged violations against the producer. A producer may appeal the Facility's decision in accordance with Secs. 22 and 23 of the Plan.

## **Sec. 20. COMPLIANCE WITH PERFORMANCE STANDARDS**

Producers are expected to comply with the Producer Performance Guidelines, as defined within Sec. 19.

### **A. ASSESSMENT OF VIOLATIONS**

The Facility shall maintain a record of a producer's violations of the Producer Performance Guidelines, either due to action or inaction, and shall notify the producer of



repeated violations in writing. This notification will include a warning that if violations continue to occur, the producer may be disqualified. In addition to written notification, the Facility may also contact the producer via telephone.

If repeated violations of the Producer Performance Guidelines continue to occur after the first notification, the Facility shall notify the producer of the repeated violations in writing. Within thirty (30) calendar days of the second notification letter, the producer must participate in a training session provided by Facility staff. If the required training is not completed, the producer may be subject to disqualification. If repeated infractions of performance standards contained in this section continue after the training session, notice will be sent to the producer advising him/her of his/her right to a hearing before the Facility.

## **B. SERIOUS & FLAGRANT VIOLATIONS/IMMEDIATE DISQUALIFICATION**

Serious and flagrant violations of the Producer Performance Guidelines may result in referral for a hearing before the Facility and/or potential immediate disqualification.

Actions which may result in immediate disqualification include, but are not limited to:

- Material and willful misrepresentation or falsified information on the part of the producer;
- Failure to forward all monies collected from the insured in a timely manner;
- Manipulation of the MAIPF ERS to generate a lower rate; and/or
- Conduct which constitutes unlawful or prohibited conduct under the laws of the State of Michigan.

## **C. HEARING BEFORE THE FACILITY**

In the event the producer is referred for a hearing before the Facility, the producer shall be notified in writing. The notice of hearing with Facility staff shall include:

1. Reasons for the hearing and identifying specific violations and/or deficiencies to be addressed at the hearing;
2. A brief description of the hearing process, including notification that the hearing will take place with a court reporter for the purpose of taking sworn testimony;
3. A statement that should the producer choose not to appear for the hearing, this may serve as an additional basis for disqualification; and
4. A statement that a written response to the notice, via email or mail, must be provided within ten (10) calendar days of the date of notice.

During the hearing, the Facility shall present its findings and the producer will be afforded an opportunity to respond to the findings. Based on the information obtained

during the hearing, the Facility shall determine if the producer's conduct warrants escalation to the Board of Governors, or its designee, for immediate consideration of disqualification. If the Facility determines escalation is unwarranted at the time, and if violations persist, the Facility may then refer the producer to the Board of Governors, or its designee, for consideration of disqualification.

## **Sec. 21. DISQUALIFICATION**

The Facility may disqualify a producer who persistently violates Producer Performance Guidelines, acts in contravention of Michigan civil, criminal and/or administrative laws including laws governing producers and the Insurance Code, or is assessed serious/flagrant violations warranting immediate disqualification as set forth herein.

In the event of disqualification by the Board of Governors, or its designee, the Facility shall send written notification, which conforms with MCL 500.3355(7)(c), to the producer via certified mail with a copy to the Department of Insurance and Financial Services, or its equivalent.

Said disqualification shall become effective fifteen (15) calendar days from the date of the notification letter.

On or after the effective date of the disqualification, the disqualified producer shall not do any of the following during the period of disqualification:

- A. Solicit, negotiate, or effect automobile insurance on behalf of any participating member through the facility.
- B. Submit new applications to the facility.
- C. Service any existing facility policies except as permitted by the Facility's Producer Performance Guidelines.
- D. Be entitled to compensation for either new business applications or renewals.
- E. Obtain any binders, certificates or other supplies from the facility. Existing binders or other supplies shall be surrendered to the facility upon request.

Disqualification under this section does not affect the disqualified producer's authority to place automobile insurance through an authorized insurer in the voluntary market.

## **Sec. 22 APPEAL OF FACILITY DECISIONS TO THE BOARD OF GOVERNORS, OR ITS DESIGNEE**

A producer may submit a written request for appeal hearing before the Facility's Board of Governors, or its designee, no later than ten (10) business days of the date of a letter notifying the producer of a Facility decision. If a written request for appeal hearing is received by the Facility, the Facility shall suspend its decision pending a ruling by the Board of Governors, or its designee. Upon written request and payment of a reasonable copying charge, the producer shall receive any information pertinent to the disqualification.

The Board of Governors, or its designee, shall hold a hearing no later than ten (10) business days after receipt of the written request for appeal hearing.

During the hearing, the Facility shall present its findings and the producer will be afforded an opportunity to respond to the findings. The Board of Governors, or its designee, shall determine if there were sufficient grounds for the Facility's decision based on the information presented during the appeal hearing. If additional information is necessary, the Board of Governors, or its designees, shall request such information in writing from the relevant party.

The Board of Governors, or its designee, shall issue a ruling no later than five (5) days after the hearing (or no later than five (5) days after the request for additional information is dated) and shall so notify the producer, the Facility and the Department of Insurance and Financial Services, or its equivalent. A ruling of disqualification by the Board of Governors, or its designee, shall become effective five (5) calendar days after the date of ruling.

### **Sec. 23 APPEAL OF FACILITY DECISIONS TO THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES OR ITS EQUIVALENT**

A ruling of disqualification by the Facility's Board, or its designee, or other Facility decisions may be appealed to the Department of Insurance and Financial Services or its equivalent by filing a written notice of appeal with the Facility and the Department within thirty (30) calendar days after the date of the ruling or date of notification of the Facility decision.

The disqualification ruling shall remain in effect during the appeal process with the Department of Insurance and Financial Services. The appeal process with the Department of Insurance and Financial Services shall be in accordance with the standards, rules and guidelines as set forth by the Department, and not by the Facility.

### **Sec. 24 REINSTATEMENT AFTER DISQUALIFICATION**

A producer who has been disqualified may petition the Facility for reinstatement after the disqualification period has run in accordance with MCL 500.3355(7)(b). The petition must be in writing and shall contain, at a minimum, the following:

- Documented corrective action plan(s) developed to prevent future violations of Producer Performance Guidelines; and
- Written verification and/or acknowledgment by the producer that the documented corrective plan(s) have been implemented and shared with any and all agency employees involved with submitting business to the Facility and/or servicing of existing Facility customers.

The producer may provide additional information in his/her petition to be considered by the Facility.

Upon receipt of a petition to remove a disqualification, the Facility shall consider the information provided by the producer and notify the producer, in writing, of its decision within ten (10) business days of receipt of the written request. The Facility may, at its discretion, seek input from the Board of Governors, or its designee, prior to rendering a decision regarding reinstatement. If the Facility determines reinstatement is not appropriate, it shall provide the reason(s) for the determination.

The producer may appeal the Facility's unfavorable decision in accordance with Secs. 22 and 23, if necessary.

Future conduct and violations will be assessed in accordance with the Plan of Operations and the Producer Performance Guidelines.

Producers and any and all agency employees involved with submitting business to the Facility and/or servicing of existing Facility customers will also be required to attend a training session, the terms of which will be determined by the Facility, within thirty (30) calendar days of the effective date of the reinstatement/removal of the disqualification.

If the producer, and any other employee who is involved in the submission of applications to the Facility or the servicing of existing Facility customers, fails to attend the training session within thirty (30) calendar days, access to the ERS will be suspended until the required training session has been completed.

A producer whose license is suspended or revoked by the Department of Insurance and Financial Services at the time of petition is ineligible for reinstatement with the Facility. Upon re-activation or reinstatement of the producer's license by the Department of Insurance and Financial Services, the producer may petition the Facility for removal of disqualification in accordance with this section and subject to the Producer Performance Guidelines.