

# HOUSE BILL No. 5333

November 20, 1991, Introduced by Rep. Gagliardi and referred to the Committee on Insurance.

A bill to amend section 2606 of Act No. 218 of the Public Acts of 1956, entitled as amended  
"The insurance code of 1956,"  
being section 500.2606 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Section 2606 of Act No. 218 of the Public Acts  
2 of 1956, being section 500.2606 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4 Sec. 2606. (1) ~~Every~~ EACH insurer shall file with the  
5 commissioner, except as to inland marine risks which by general  
6 custom of the business are not written according to manual rates  
7 or rating plans, every manual, minimum, class rate, rating sched-  
8 ule or rating plan, and every other rating rule, and every  
9 modification of any of the foregoing ~~which~~ THAT it proposes to  
10 use. Every ~~such~~ filing shall state the proposed effective date

1 ~~thereof~~ OF THE FILING, and shall indicate the character and  
2 extent of the coverage contemplated.

3 (2) ~~When~~ IF a filing is not accompanied by the information  
4 upon which the insurer supports ~~such~~ THE filing, and the com-  
5 missioner does not have sufficient information to determine  
6 whether ~~such~~ THE filing meets the requirements of this chapter,  
7 ~~he~~ THE COMMISSIONER shall require ~~such~~ THE insurer to furnish  
8 the information upon which it supports ~~such~~ THE filing and ~~in~~  
9 ~~such event~~ the waiting period shall commence as of the date  
10 ~~such~~ THE information is furnished. The information furnished  
11 in support of a filing may include ~~(a)~~ the experience or judg-  
12 ment of the insurer ~~or rating organization~~ making the filing,  
13 ~~(b)~~ its interpretation of any statistical data it relies upon,  
14 ~~(c)~~ the experience of other insurers, ~~or rating~~  
15 ~~organizations,~~ or ~~(d)~~ any other relevant factors.

16 (3) A filing and any supporting information shall be open to  
17 public inspection after the filing becomes effective.

18 ~~(4) Specific inland marine rates on risks specially rated,~~  
19 ~~made by a rating organization, shall be filed with the~~  
20 ~~commissioner.~~

21 (4) ~~(5) An~~ EXCEPT FOR FILINGS CONCERNING RATES, AN insurer  
22 may satisfy its obligation to make ~~such~~ filings by becoming a  
23 member of, or a subscriber to, a licensed rating organization  
24 ~~which~~ THAT makes ~~such~~ filings, and by filing with the commis-  
25 sioner a copy of its authorization of the rating organization to  
26 make ~~such~~ filings on its behalf. Nothing contained in this

1 chapter shall be construed as requiring any insurer to become a  
2 member of or a subscriber to any rating organization.

3 (5) AS A CONDITION OF MAINTAINING ITS CERTIFICATE OF AUTHOR-  
4 ITY, AN INSURER SHALL NOT DO ANY OF THE FOLLOWING:

5 (A) HAVE ANY RATES FILED ON ITS BEHALF IN THIS STATE BY A  
6 RATING ORGANIZATION.

7 (B) SHARE INFORMATION WITH ANY OTHER INSURER OR RATING ORGA-  
8 NIZATION CONCERNING ESTABLISHING RATES OR RATING SYSTEMS.

9 (C) AGREE WITH ANY OTHER INSURER OR RATING ORGANIZATION TO  
10 ADHERE TO OR USE ANY RATE, RATING PLAN, RATING SCHEDULE, RATING  
11 RULE, OR UNDERWRITING RULE IN THIS STATE.

12 (D) MAKE AVAILABLE TO ANY OTHER INSURER OR RATING ORGANI-  
13 ZATION ACTUARIAL PROJECTIONS, TRENDING FACTORS, PROFITS, OR  
14 EXPENSES EXCEPT LOSS ADJUSTMENT EXPENSES.

15 Section 2. This amendatory act shall not take effect unless  
16 all of the following bills of the 86th Legislature are enacted  
17 into law:

18 (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 5340 (request  
19 no. 00706'91).

20 (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 5335 (request  
21 no. 00707'91).

22 (c) Senate Bill No. \_\_\_\_\_ or House Bill No. 5334 (request  
23 no. 00708'91).

24 (d) Senate Bill No. \_\_\_\_\_ or House Bill No. 5338 (request  
25 no. 00709'91).

26 (e) Senate Bill No. \_\_\_\_\_ or House Bill No. 5339 (request  
27 no. 00710'91).

1 (f) Senate Bill No. \_\_\_\_\_ or House Bill No. 5356 (request  
2 no. 00711'91).

3 (g) Senate Bill No. \_\_\_\_\_ or House Bill No. 5337 (request  
4 no. 00712'91).

5 (h) Senate Bill No. \_\_\_\_\_ or House Bill No. 5331 (request  
6 no. 00714'91).

7 (i) Senate Bill No. \_\_\_\_\_ or House Bill No. 5332 (request  
8 no. 00715'91).