

HOUSE BILL No. 5004

July 3, 1997, Introduced by Reps. Walberg, Freeman, Voorhees, Hammerstrom, DeHart, Jellema, Dalman, Prusi, Anthony, Lowe, Wetters, Profit, Gernaat, Goschka, McNutt, McBryde, Cropsey, Nye, Baade, DeVuyst, Price and Perricone and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 2104 (MCL 500.2104), as amended by 1980
PA 461.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2104. (1) "Private passenger nonfleet automobile"
2 means a motorized land vehicle designed for transporting passen-
3 gers or goods, subject to specific contemporary definitions for
4 insurance purposes pursuant to section 3303.
5 (2) "Repair cost policy" means a home insurance policy for
6 which the amount of coverage under the policy is based substan-
7 tially on the market value of the property, and ~~which~~ THAT pro-
8 vides for payment for repair, rebuilding, or replacement of
9 losses or damages to real property with materials of like kind
10 and quality, without depreciation, pursuant to section 2826, or

1 with conventional materials and construction methods, pursuant to
2 the standards of section 2827.

3 (3) "Replacement cost policy" means a home insurance policy
4 for which the amount of coverage under the policy is based sub-
5 stantially on the replacement cost of the property, ~~which~~ THAT
6 provides for settlement of losses to real property pursuant to
7 the standards prescribed in section 2826.

8 (4) "Substantially at-fault" means a person's action or
9 inaction was more than 50% of the cause of an accident. IF A LAW
10 ENFORCEMENT AGENCY HAS INVESTIGATED AN ACCIDENT AND HAS NOT MADE
11 A DETERMINATION THAT AN INDIVIDUAL WAS SUBSTANTIALLY AT-FAULT, AN
12 AUTOMOBILE INSURER SHALL NOT MAKE A DETERMINATION THAT AN INDI-
13 VIDUAL WAS SUBSTANTIALLY AT-FAULT. IF A LAW ENFORCEMENT AGENCY
14 HAS INVESTIGATED AN ACCIDENT AND HAS MADE A DETERMINATION THAT AN
15 INDIVIDUAL WAS SUBSTANTIALLY AT-FAULT, AN AUTOMOBILE INSURER
16 SHALL NOT MAKE A SUBSTANTIALLY AT-FAULT DETERMINATION THAT IS
17 CONTRARY TO THE DETERMINATION MADE BY THE INVESTIGATING LAW
18 ENFORCEMENT AGENCY.

19 (5) "Termination" means a refusal to continue to insure, for
20 reasons other than nonpayment of premium, and includes both of
21 the following:

22 (a) The transfer of coverage for an insured between affili-
23 ated insurers, when the transfer results in higher rates or less
24 coverage, unless the transfer was requested by the insured.

25 (b) The offering of coverage with less favorable terms or
26 conditions than those previously provided, unless so requested by
27 the insured, or unless the terms or conditions of coverage

1 previously provided are no longer available from the insurer
2 anywhere in this state.

3 (6) "Underwriting rules" means the written statements,
4 guidelines, or criteria of an insurer, phrased in terms under-
5 standable to a person of ordinary intelligence, ~~which~~ THAT
6 describe the standards under which the insurer issues, refuses to
7 issue, renews, refuses to renew, or limits coverage for automo-
8 bile insurance or home insurance to persons within this state.