

SENATE BILL NO. 1350

November 5, 1998, Introduced by Senator DINGELL and referred to
the Committee on Government Operations.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding chapter 3.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 CHAPTER 3

2 OFFICE OF PUBLIC INSURANCE COUNSEL

3 SEC. 301. (1) THE INDEPENDENT OFFICE OF PUBLIC INSURANCE
4 COUNSEL IS CREATED WITHIN THE INSURANCE BUREAU.

5 (2) THE LEADER OF EACH CAUCUS IN THE SENATE AND THE LEADER
6 OF EACH CAUCUS IN THE HOUSE OF REPRESENTATIVES SHALL APPOINT THE
7 PUBLIC COUNSEL WHO SHALL SERVE FOR A TERM OF 4 YEARS. THE FIRST
8 PUBLIC COUNSEL SHALL BE APPOINTED BY APRIL 15, 1999. THE PUBLIC
9 COUNSEL SHALL SERVE AS EXECUTIVE DIRECTOR OF THE OFFICE OF PUBLIC
10 INSURANCE COUNSEL.

1 (3) TO BE ELIGIBLE TO SERVE AS PUBLIC COUNSEL FOR THE OFFICE
2 OF PUBLIC INSURANCE COUNSEL A PERSON SHALL MEET ALL OF THE
3 FOLLOWING REQUIREMENTS:

4 (A) BE A RESIDENT OF MICHIGAN.

5 (B) BE ADMITTED TO PRACTICE LAW IN MICHIGAN.

6 (C) DEMONSTRATE A STRONG COMMITMENT AND INVOLVEMENT IN
7 EFFORTS TO SAFEGUARD PUBLIC RIGHTS.

8 (D) POSSESS THE KNOWLEDGE AND EXPERIENCE NECESSARY TO PRAC-
9 TICE EFFECTIVELY IN INSURANCE PROCEEDINGS.

10 SEC. 303. THE OFFICE OF PUBLIC INSURANCE COUNSEL MAY ASSESS
11 THE IMPACT OF INSURANCE RATES, RULES, AND FORMS ON INSURANCE CON-
12 SUMERS IN MICHIGAN AND, IN ITS OWN NAME, SHALL ACT AS AN ADVOCATE
13 OF POSITIONS THAT ARE MOST ADVANTAGEOUS TO A SUBSTANTIAL NUMBER
14 OF INSURANCE CONSUMERS AS DETERMINED BY THE PUBLIC COUNSEL FOR
15 THE OFFICE.

16 SEC. 305. THE OFFICE OF PUBLIC INSURANCE COUNSEL MAY ACCESS
17 ANY RECORDS THAT ARE AVAILABLE TO ANY PARTY IN A PROCEEDING
18 BEFORE THE COMMISSIONER AND IS ENTITLED TO DISCOVERY OF ANY NON-
19 PRIVILEGED MATTER THAT IS RELEVANT TO THE SUBJECT MATTER INVOLVED
20 IN ANY PROCEEDING OR SUBMISSION BEFORE THE COMMISSIONER.

21 SEC. 307. (1) THE PUBLIC COUNSEL SHALL DO ALL OF THE
22 FOLLOWING:

23 (A) ADMINISTER, ENFORCE, AND CARRY OUT ALL DUTIES UNDER THIS
24 CHAPTER.

25 (B) PREPARE AND SUBMIT TO THE LEGISLATURE A BUDGET FOR THE
26 OFFICE OF PUBLIC INSURANCE COUNSEL.

1 (C) EMPLOY PROFESSIONAL, TECHNICAL, AND OTHER EMPLOYEES AS
2 ARE NECESSARY TO CARRY OUT THIS CHAPTER.

3 (D) SUBMIT TO THE COMMISSIONER FOR ADOPTION A CONSUMER BILL
4 OF RIGHTS APPROPRIATE TO EACH PERSONAL LINE OF INSURANCE REGU-
5 LATED BY THE COMMISSIONER TO BE DISTRIBUTED BY INSURERS UPON THE
6 ISSUANCE OF A POLICY TO EACH POLICYHOLDER UNDER RULES ADOPTED BY
7 THE COMMISSIONER.

8 (E) REPORT ANNUALLY TO THE SENATE AND HOUSE OF
9 REPRESENTATIVES STANDING COMMITTEES ON INSURANCE ISSUES ON THE
10 ACTIVITIES OF THE OFFICE AND ANY RECOMMENDED LEGISLATION THAT, IN
11 THE JUDGMENT OF THE PUBLIC COUNSEL, WOULD AFFECT POSITIVELY THE
12 INTERESTS OF INSURANCE CONSUMERS.

13 (2) THE PUBLIC COUNSEL SHALL NOT INTERVENE IN HEARINGS
14 BEFORE THE COMMISSIONER THAT RELATE TO APPROVAL OR CONSIDERATION
15 OF INDIVIDUAL CHARTERS, LICENSES, ACQUISITIONS, MERGERS, OR EXAM-
16 INATIONS, PROCEEDINGS CONCERNING THE SOLVENCY OF INDIVIDUAL
17 INSURERS AFTER A RECEIVER IS APPOINTED, OR OTHER MATTERS AFFECT-
18 ING INDIVIDUAL INSURER OR AGENT LICENSES.

19 SEC. 309. THE PUBLIC COUNSEL MAY DO ANY OF THE FOLLOWING:

20 (A) APPEAR OR INTERVENE AS A MATTER OF RIGHT BEFORE THE COM-
21 MISSIONER AS A PARTY OR OTHERWISE ON BEHALF OF INSURANCE CONSUM-
22 ERS AS A CLASS IN ANY OF THE FOLLOWING:

23 (i) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING
24 PROPERTY AND CASUALTY INSURANCE.

25 (ii) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING
26 TITLE INSURANCE.

1 (iii) MATTERS INVOLVING RULES AFFECTING LIFE, HEALTH, AND
2 ACCIDENT INSURANCE.

3 (iv) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING
4 CREDIT LIFE AND CREDIT ACCIDENT AND HEALTH INSURANCE.

5 (v) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING ALL
6 OTHER LINES OF INSURANCE FOR WHICH THE COMMISSIONER PROMULGATES,
7 SETS, OR APPROVES RATES, RULES, OR FORMS.

8 (vi) MATTERS INVOLVING WITHDRAWAL OF APPROVAL OF POLICY
9 FORMS IF THE PUBLIC COUNSEL DETERMINES THAT SUCH FORMS DO NOT
10 COMPLY WITH THIS ACT, A VALID RULE, OR IS OTHERWISE CONTRARY TO
11 LAW.

12 (B) INITIATE OR INTERVENE AS A MATTER OF RIGHT OR OTHERWISE
13 APPEAR IN A JUDICIAL PROCEEDING INVOLVING OR ARISING OUT OF ANY
14 ACTION TAKEN BY AN ADMINISTRATIVE AGENCY IN A PROCEEDING IN WHICH
15 THE PUBLIC COUNSEL APPEARED UNDER THE AUTHORITY GRANTED BY THIS
16 CHAPTER.

17 (C) APPEAR OR INTERVENE AS A MATTER OF RIGHT AS A PARTY OR
18 OTHERWISE ON BEHALF OF INSURANCE CONSUMERS AS A CLASS IN ALL PRO-
19 CEEDINGS IN WHICH THE PUBLIC COUNSEL DETERMINES THAT INSURANCE
20 CONSUMERS NEED REPRESENTATION, EXCEPT THAT THE PUBLIC COUNSEL MAY
21 NOT INTERVENE IN ANY ENFORCEMENT PROCEEDING BROUGHT BY THE ATTOR-
22 NEY GENERAL.

23 SEC. 311. THE PUBLIC COUNSEL SHALL NOT, FOR A PERIOD OF 2
24 YEARS AFTER THE DATE HE OR SHE CEASES TO BE PUBLIC COUNSEL, REP-
25 RESENT ANY PERSON OR RECEIVE COMPENSATION FOR SERVICES RENDERED
26 ON BEHALF OF ANY PERSON IN A PROCEEDING BEFORE THE COMMISSIONER.