

# HOUSE BILL No. 4175

February 13, 2001, Introduced by Reps. Basham and Schermesser and referred to the Committee on Insurance and Financial Services.

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:**

CHAPTER 3

OFFICE OF PUBLIC INSURANCE COUNSEL

SEC. 301. (1) THE INDEPENDENT OFFICE OF PUBLIC INSURANCE  
COUNSEL IS CREATED WITHIN THE OFFICE OF FINANCIAL AND INSURANCE  
SERVICES.

(2) THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE  
SHALL APPOINT A PUBLIC COUNSEL FOR A TERM OF 4 YEARS. THE PUBLIC  
COUNSEL SHALL SERVE AS EXECUTIVE DIRECTOR OF THE OFFICE OF PUBLIC  
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 (2) THE PUBLIC COUNSEL SHALL NOT INTERVENE IN HEARINGS  
9 BEFORE THE COMMISSIONER THAT RELATE TO APPROVAL OR CONSIDERATION  
10 OF INDIVIDUAL CHARTERS, LICENSES, ACQUISITIONS, MERGERS, OR EXAM-  
11 INATIONS, PROCEEDINGS CONCERNING THE SOLVENCY OF INDIVIDUAL  
12 INSURERS AFTER A RECEIVER IS APPOINTED, OR OTHER MATTERS AFFECT-  
13 ING INDIVIDUAL INSURER OR AGENT LICENSES.

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

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

18 (i) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING  
19 PROPERTY AND CASUALTY INSURANCE.

20 (ii) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING  
21 TITLE INSURANCE.

22 (iii) MATTERS INVOLVING RULES AFFECTING LIFE, HEALTH, AND  
23 ACCIDENT INSURANCE.

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

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

4 (vi) MATTERS INVOLVING WITHDRAWAL OF APPROVAL OF POLICY  
5 FORMS IF THE PUBLIC COUNSEL DETERMINES THAT THESE FORMS DO NOT  
6 COMPLY WITH THIS ACT OR A VALID RULE OR ARE OTHERWISE CONTRARY TO  
7 LAW.

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

13 (C) RECOMMEND LEGISLATION TO THE LEGISLATURE THAT, IN THE  
14 JUDGMENT OF THE PUBLIC COUNSEL, WOULD AFFECT POSITIVELY THE  
15 INTERESTS OF INSURANCE CONSUMERS.

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

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