

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5891

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending sections 2112, 2116, 2248, 3109, and 3109a (MCL
500.2112, 500.2116, 500.2248, 500.3109, and 500.3109a), sections
2112 and 2116 as amended by 1980 PA 461.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2112. (1) At least annually, in conjunction with a
2 renewal notice, a bill, or other notice of payment due issued to a
3 policyholder in conjunction with **AN** automobile ~~and~~**OR** home
4 insurance ~~contracts~~**CONTRACT**, an insurer shall send to ~~each~~**THE**
5 policyholder a written notice ~~of~~**THAT** all of the following
6 **INFORMATION IS AVAILABLE AND WILL BE PROVIDED TO THE POLICYHOLDER**
7 **ON REQUEST:**

1 (a) A description of the specific rating classifications by
2 which the rates and premiums for the policy have been determined.
3 The notice shall be of sufficient detail and clarity so that the
4 policyholder can reasonably verify the applicability and accuracy
5 of the rating classifications.

6 (b) A general explanation of the extent to which rates or
7 premiums vary among ~~insureds~~ **POLICYHOLDERS** on the basis of the
8 rating classifications used by the insurer.

9 (c) Sources and reasonable procedures by which the ~~individual~~
10 **POLICYHOLDER** can obtain from the insurer additional information
11 sufficient for the ~~individual~~ **POLICYHOLDER** to calculate and confirm
12 the accuracy of his or her specific premium.

13 (d) Relevant information regarding the rights of ~~an insured~~
14 **THE POLICYHOLDER**, under sections 2113 and 2114, to appeal the
15 application of the insurer's rating plan in determining his or her
16 premium, to obtain documentation from the insurer regarding the
17 determination of the rate, to appeal the application of the
18 insurer's underwriting rules to the ~~person~~ **POLICYHOLDER**, to request
19 an informal conference with the insurer, and to file with the
20 commissioner a complaint as an aggrieved person.

21 (e) A description of all of the insurer's underwriting rules
22 based ~~upon~~ **ON** insurance eligibility points and a description of all
23 of the underwriting rules of the insurer's affiliates based ~~upon~~ **ON**
24 insurance eligibility points.

25 (f) A suggestion that the ~~insured~~ **POLICYHOLDER** contact his or
26 her agent to determine if he or she is eligible for insurance from
27 an affiliate of the insurer or under a different rating plan of the

1 insurer ~~which~~ **THAT** would provide to the ~~insured~~ **POLICYHOLDER**
2 insurance at a more favorable premium.

3 (2) IN A WRITTEN NOTICE PROVIDED UNDER SUBSECTION (1), THE
4 INSURER SHALL PROVIDE THE POLICYHOLDER WITH A TELEPHONE NUMBER AND
5 AN INTERNET ADDRESS, BY EITHER OF WHICH THE POLICYHOLDER MAY
6 CONTACT THE INSURER TO REQUEST THE INFORMATION LISTED IN SUBSECTION
7 (1). ON REQUEST OF THE POLICYHOLDER, THE INSURER SHALL PROVIDE THE
8 POLICYHOLDER WITH THE REQUESTED INFORMATION IN EITHER A WRITTEN OR
9 ELECTRONIC FORMAT, AS REQUESTED BY THE POLICYHOLDER.

10 Sec. 2116. (1) A duly licensed insurance agent licensed to
11 represent 1 or more insurers shall, as a condition of licensure, do
12 all of the following:

13 (a) Provide each eligible person seeking automobile insurance
14 or home insurance ~~the lowest available~~ **A** premium quotation for the
15 forms or types of insurance coverages ~~which~~ **THAT** are offered by the
16 insurers represented by the agent and ~~which~~ **THAT** are sought by the
17 eligible person.

18 (b) Inform the eligible person of the number of insurers that
19 he or she represents. If the agent represents additional insurers
20 from which the eligible person may obtain insurance, the agent
21 ~~shall~~ **MAY** provide additional premium quotations as requested by the
22 eligible person.

23 (c) Not attempt to channel an eligible person away from an
24 insurer or insurance coverage with the purpose or effect of
25 avoiding an agent's obligation to submit an application or an
26 insurer's obligation to accept an eligible person.

27 (d) ~~Upon~~ **ON** request, submit an application of the eligible

1 person for automobile insurance or home insurance to the insurer
2 selected by the eligible person.

3 (e) For automobile insurance only, at least annually, supply,
4 with the renewal of a policy, to each insured, unless ~~such~~ **THE**
5 information ~~has been provided by~~ **IS AVAILABLE FROM** the insurer, all
6 of the following:

7 (i) An explanation of the insurance eligibility point system.

8 (ii) A statement that if the insured is an eligible person he
9 or she may qualify for insurance from more than 1 insurer, and
10 possibly at a lower rate.

11 (iii) A statement that the agent will, ~~upon~~ **ON** request, furnish
12 to the insured a set of quotations from insurers represented by the
13 agent from whom the insured may obtain insurance, as required in
14 this subsection.

15 (2) With respect to automobile insurance or home insurance, an
16 insurer shall not penalize an individual agent by paying less than
17 normal commissions or normal compensation or salary because of the
18 expected or actual experience produced by the agent's business or
19 because of the geographic location of business written by the
20 agent.

21 Sec. 2248. (1) ~~No~~ **A** policy of insurance against fire, theft,
22 property damage, collision, ~~and/or~~ **OR** liability in connection with
23 automobile coverage shall **NOT** be issued unless the policy, or an
24 exact copy thereof, ~~be~~ **OF THE POLICY, IS** delivered to the insured.

25 (2) **FOR PURPOSES OF THIS SECTION, A PERSONAL AUTOMOBILE**
26 **INSURANCE POLICY AND ENDORSEMENTS THAT DO NOT CONTAIN PERSONALLY**
27 **IDENTIFIABLE INFORMATION MAY BE DELIVERED BY MAILING, DELIVERY, OR**

1 POSTING ON THE INSURER'S INTERNET WEBSITE. IF THE INSURER ELECTS TO
2 POST AN INSURANCE POLICY AND ENDORSEMENTS ON ITS INTERNET WEBSITE
3 IN LIEU OF MAILING OR DELIVERING THEM TO THE NAMED INSURED, THE
4 INSURER SHALL COMPLY WITH ALL OF THE FOLLOWING CONDITIONS:

5 (A) THE POLICY AND ENDORSEMENTS ARE EASILY ACCESSIBLE AND
6 REMAIN EASILY ACCESSIBLE FOR AS LONG AS THE POLICY IS IN FORCE.

7 (B) AFTER THE EXPIRATION OF THE POLICY, THE INSURER ARCHIVES
8 THE POLICY AND ENDORSEMENTS AND MAKES THEM AVAILABLE ON REQUEST AT
9 NO CHARGE OR FOR A REASONABLE CHARGE.

10 (C) THE POLICY AND ENDORSEMENTS ARE POSTED IN A MANNER THAT
11 ENABLES THE INSURED TO PRINT AND SAVE THE POLICY AND ENDORSEMENTS
12 USING PROGRAMS OR APPLICATIONS THAT ARE WIDELY AVAILABLE ON THE
13 INTERNET AND FREE TO USE.

14 (D) THE INSURER PROVIDES NOTICE TO THE NAMED INSURED WITH EACH
15 DECLARATIONS PAGE OF A METHOD BY WHICH AN INSURED MAY OBTAIN, ON
16 REQUEST AND WITHOUT CHARGE, A PAPER OR ELECTRONIC COPY OF THE
17 POLICY OR ENDORSEMENTS.

18 (E) ON EACH DECLARATIONS PAGE ISSUED TO AN INSURED, THE
19 INSURER CLEARLY IDENTIFIES THE EXACT POLICY AND ENDORSEMENT FORMS
20 PURCHASED BY THE INSURED.

21 (F) THE INSURER PROVIDES NOTICE, IN THE MANNER BY WHICH IT
22 CUSTOMARILY COMMUNICATES WITH A NAMED INSURED, OF ANY OF THE
23 CHANGES TO THE FORMS OR ENDORSEMENTS AND THE INSURED'S RIGHT TO
24 OBTAIN, ON REQUEST AND WITHOUT CHARGE, A PAPER COPY OF THE FORMS OR
25 ENDORSEMENTS.

26 Sec. 3109. (1) Benefits provided or required to be provided
27 under the laws of any state or the federal government shall be

1 subtracted from the personal protection insurance benefits
2 otherwise payable for the injury **UNDER THIS CHAPTER**.

3 (2) An injured person is a natural person suffering accidental
4 bodily injury.

5 (3) An insurer providing personal protection insurance
6 benefits **UNDER THIS CHAPTER** may offer, at appropriately reduced
7 premium rates, a deductible of a specified dollar amount. ~~which~~
8 ~~does not exceed \$300.00 per accident.~~ This deductible may be
9 applicable to all or any specified types of personal protection
10 insurance benefits, but shall apply only to benefits payable to the
11 person named in the policy, his **OR HER** spouse, and any relative of
12 either domiciled in the same household. ~~Any other deductible~~
13 ~~provisions require the prior approval of the commissioner.~~

14 Sec. 3109a. An insurer providing personal protection insurance
15 benefits ~~shall~~ **UNDER THIS CHAPTER MAY** offer, at appropriately
16 reduced premium rates, deductibles and exclusions reasonably
17 related to other health and accident coverage on the insured. ~~The~~
18 **ANY** deductibles and exclusions ~~required to be offered by~~ **UNDER** this
19 section ~~shall be~~ **ARE** subject to prior approval by the commissioner
20 and shall apply only to benefits payable to the person named in the
21 policy, the spouse of the insured, and any relative of either
22 domiciled in the same household.