

HOUSE BILL No. 5891

September 12, 2012, Introduced by Rep. Lund and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
 "The insurance code of 1956,"
 by amending sections 2112, 2116, 3109, and 3109a (MCL 500.2112,
 500.2116, 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. At least annually, in conjunction with a renewal
 2 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, OR AT THE REQUEST OF THE**
 5 **POLICYHOLDER**, an insurer shall send to each~~THE~~ policyholder a
 6 written ~~notice of~~**SUMMARY THAT CONTAINS** all of the following:

7 (a) A description of the specific rating classifications by
 8 which the rates and premiums for the policy have been determined.

1 The notice shall be of sufficient detail and clarity so that the
2 policyholder can reasonably verify the applicability and accuracy
3 of the rating classifications.

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

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

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

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

23 (f) A suggestion that the ~~insured~~**POLICYHOLDER** contact his or
24 her agent to determine if he or she is eligible for insurance from
25 an affiliate of the insurer or under a different rating plan of the
26 insurer ~~which~~**THAT** would provide to the ~~insured~~**POLICYHOLDER**
27 insurance at a more favorable premium.

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

4 (a) Provide each eligible person seeking automobile insurance
5 or home insurance ~~the lowest available~~ **A** premium quotation for the
6 forms or types of insurance coverages ~~which~~ **THAT** are offered by the
7 insurers represented by the agent and ~~which~~ **THAT** are sought by the
8 eligible person.

9 (b) Inform the eligible person of the number of insurers that
10 he or she represents. If the agent represents additional insurers
11 from which the eligible person may obtain insurance, the agent
12 ~~shall~~ **MAY** provide additional premium quotations as requested by the
13 eligible person.

14 (c) Not attempt to channel an eligible person away from an
15 insurer or insurance coverage with the purpose or effect of
16 avoiding an agent's obligation to submit an application or an
17 insurer's obligation to accept an eligible person.

18 (d) ~~Upon~~ **ON** request, submit an application of the eligible
19 person for automobile insurance or home insurance to the insurer
20 selected by the eligible person.

21 (e) For automobile insurance only, at least annually, supply,
22 with the renewal of a policy, to each insured, unless ~~such~~ **THE**
23 information has been provided by the insurer, all of the following:

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

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

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

5 (2) With respect to automobile insurance or home insurance, an
6 insurer shall not penalize an individual agent by paying less than
7 normal commissions or normal compensation or salary because of the
8 expected or actual experience produced by the agent's business or
9 because of the geographic location of business written by the
10 agent.

11 Sec. 3109. (1) Benefits provided or required to be provided
12 under the laws of any state or the federal government shall be
13 subtracted from the personal protection insurance benefits
14 otherwise payable for the injury **UNDER THIS CHAPTER**.

15 (2) An injured person is a natural person suffering accidental
16 bodily injury.

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

26 Sec. 3109a. An insurer providing personal protection insurance
27 benefits ~~shall~~**UNDER THIS CHAPTER MAY** offer, at appropriately

1 reduced premium rates, deductibles and exclusions reasonably
2 related to other health and accident coverage on the insured. ~~The~~
3 **ANY** deductibles and exclusions ~~required to be offered by~~ **UNDER** this
4 section ~~shall be~~ **ARE** subject to prior approval by the commissioner
5 and shall apply only to benefits payable to the person named in the
6 policy, the spouse of the insured, and any relative of either
7 domiciled in the same household.