

SENATE BILL No. 744

February 4, 2016, Introduced by Senators YOUNG and SMITH and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 2112 (MCL 500.2112), as amended by 2012 PA 454, and by adding section 2107a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2107A. (1) AT THE TIME OF A RATE FILING FOR AUTOMOBILE
2 INSURANCE, THE DIRECTOR SHALL PROMINENTLY POST THE RATE FILING
3 INFORMATION IN PLAIN LANGUAGE ON THE DEPARTMENT'S WEBSITE.

4 (2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, AN
5 AUTOMOBILE INSURER SHALL NOT INCREASE RATES FOR AUTOMOBILE
6 INSURANCE UNLESS WRITTEN NOTICE IS GIVEN TO INSUREDS OF THE RATE
7 INCREASE FILING NOT LESS THAN 60 DAYS BEFORE THE PROPOSED EFFECTIVE
8 DATE OF THE NEW RATES, STATING IN PLAIN LANGUAGE THE AMOUNT OF THE
9 INCREASE AND THE INSURED'S ABILITY TO REQUEST A PUBLIC HEARING AND

1 PROVIDE WRITTEN COMMENTS TO THE DIRECTOR CONCERNING THE RATE
2 INCREASE.

3 (3) A PERSON OR ORGANIZATION AGGRIEVED WITH RESPECT TO ANY
4 RATE FILING MAY REQUEST THE DIRECTOR TO CONDUCT A PUBLIC HEARING TO
5 PROVIDE INPUT REGARDING THE RATE FILING. THE DIRECTOR MAY GRANT A
6 REQUEST FOR A PUBLIC HEARING AND MAY DESIGNATE 1 OR MORE PERSONS TO
7 CONDUCT THE PUBLIC HEARING IF THE DIRECTOR CONSIDERS A PUBLIC
8 HEARING NECESSARY AND APPROPRIATE FOR FACT-FINDING OR INFORMATION
9 GATHERING BEFORE MAKING DECISIONS, POLICIES, AND DETERMINATIONS
10 ALLOWABLE OR REQUIRED BY LAW IN THE COURSE OF CARRYING OUT THE
11 DIRECTOR'S DUTIES. IN EXAMINING THE RATE FILING, THE DIRECTOR SHALL
12 TAKE INTO ACCOUNT ANY RELEVANT INPUT RECEIVED AS A RESULT OF A
13 PUBLIC HEARING UNDER THIS SECTION.

14 Sec. 2112. (1) At least annually, in conjunction with a
15 renewal notice, a bill, or other notice of payment due issued to a
16 policyholder in conjunction with an automobile or home insurance
17 contract, an insurer shall send to the policyholder a written
18 notice **IN PLAIN LANGUAGE** that all of the following information is
19 available and will be provided to the policyholder on request:

20 (a) A description of the specific rating classifications by
21 which the rates and premiums for the policy have been determined.
22 The notice ~~shall~~**MUST** be of sufficient detail and clarity so that
23 the policyholder can reasonably verify the applicability and
24 accuracy of the rating classifications.

25 (b) A general explanation of the extent to which rates or
26 premiums vary among policyholders on the basis of the rating
27 classifications used by the insurer.

1 (c) Sources and reasonable procedures by which the
2 policyholder can obtain from the insurer additional information
3 sufficient for the policyholder to calculate and confirm the
4 accuracy of his or her specific premium.

5 (d) Relevant information regarding the rights of the
6 policyholder, under sections 2113 and 2114, to appeal the
7 application of the insurer's rating plan in determining his or her
8 premium, to obtain documentation from the insurer regarding the
9 determination of the rate, to appeal the application of the
10 insurer's underwriting rules to the policyholder, to request an
11 informal conference with the insurer, and to file with the
12 ~~commissioner~~**DIRECTOR** a complaint as an aggrieved person.

13 (e) A description of all of the insurer's underwriting rules
14 based on insurance eligibility points and a description of all of
15 the underwriting rules of the insurer's affiliates based on
16 insurance eligibility points.

17 (f) A suggestion that the policyholder contact his or her
18 agent to determine if he or she is eligible for insurance from an
19 affiliate of the insurer or under a different rating plan of the
20 insurer that would provide to the policyholder insurance at a more
21 favorable premium.

22 (2) In a written notice provided under subsection (1), the
23 insurer shall provide the policyholder with a telephone number and
24 an internet address, by either of which the policyholder may
25 contact the insurer to request the information listed in subsection
26 (1). On request of the policyholder, the insurer shall provide the
27 policyholder with the requested information **IN PLAIN LANGUAGE** in

- 1 either a written or electronic format, as requested by the
- 2 policyholder.