

# HOUSE BILL NO. 4551

March 23, 2021, Introduced by Reps. Rogers, Sneller, Pohutsky, Brixie, Hope, O'Neal, Haadsma, Neeley, Puri, Brenda Carter, Hood, Steckloff, Garza, Liberati, Steenland, Weiss, Brabec, Bolden, Morse, Cavanagh, Young, Cherry, Hammoud, Aiyash, Sabo, Breen, Whitsett, Rabhi, Lasinski, LaGrand, Ellison, Tate, Hertel, Stone, Thanedar, Coleman, Clemente, Shannon, Jones, Brann, Kuppa, Camilleri, Tyrone Carter, Wozniak, Cambensy, Manoogian, Scott, Yancey and Anthony and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 2027 (MCL 500.2027), as amended by 1998 PA 26.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1           Sec. 2027. Unfair methods of competition and unfair or
- 2 deceptive acts or practices in the business of insurance include:
- 3           (a) Refusing to insure, ~~or~~ refusing to continue to insure, or
- 4 limiting the amount of coverage available to an individual or risk
- 5 because of any of the following:

1 (i) Race, color, creed, marital status, sex, ~~or~~ national  
 2 origin, **gender, gender identity, or sexual orientation**, except that  
 3 marital status may be used to classify individuals or risks for the  
 4 purpose of insuring family units.

5 (ii) The residence, age, disability, or lawful occupation of  
 6 the individual or the location of the risk, unless there is a  
 7 reasonable relationship between the residence, age, disability, or  
 8 lawful occupation of the individual or the location of the risk and  
 9 the extent of the risk or the coverage issued or to be issued, but  
 10 subject to subparagraph (iii). This section ~~shall~~**does** not prohibit  
 11 an insurer from specializing in or limiting its transactions of  
 12 insurance to certain occupational groups, types, or risks as  
 13 approved by the ~~commissioner of insurance.~~**director**. The  
 14 ~~commissioner~~**director** shall approve the specialization for an  
 15 insurer licensed to do business in this state and whose articles of  
 16 incorporation contained a provision on July 1, 1976, requiring that  
 17 specialization.

18 (iii) For property insurance, the location of the risk, unless  
 19 there is a statistically significant relationship between the  
 20 location of the risk and a risk of loss due to fire within the area  
 21 in which the insured property is located. As used in this  
 22 subparagraph, "area" means a single zip code number under the  
 23 zoning improvement plan of the United States ~~postal service.~~**Postal**  
 24 **Service**.

25 (b) Refusing to insure or refusing to continue to insure an  
 26 individual or risk solely because the insured or applicant was  
 27 previously denied insurance coverage by an insurer.

28 (c) Charging a different rate for the same coverage based on  
 29 ~~sex,~~ marital status, age, residence, location of risk, disability,

1 or lawful occupation of the risk unless the rate differential is  
2 based on sound actuarial principles ~~and~~ a reasonable  
3 classification system, and is related to the actual and credible  
4 loss statistics or, **for new coverages**, reasonably anticipated  
5 experience. ~~in the case of new coverages.~~ This subdivision ~~shall~~  
6 **does** not apply if the rate has previously been approved by the  
7 ~~commissioner.~~**director.**