

SENATE BILL No. 271

April 5, 1989, Introduced by Senator FAUST and referred
to the Committee on Commerce and Technology.

A bill to amend section 2400 of Act No. 218 of the Public
Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended by Act No. 8 of the Public Acts of 1982, being
section 500.2400 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 2400 of Act No. 218 of the Public Acts .
2 of 1956, as amended by Act No. 8 of the Public Acts of 1982,
3 being section 500.2400 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 2400. (1) ~~Except with respect to worker's compensa-~~
6 ~~tion insurance, the purpose of this chapter is to promote the~~
7 ~~public welfare by regulating insurance rates to the end that they~~
8 ~~shall not be excessive, inadequate, or unfairly discriminatory,~~
9 ~~and to authorize and regulate cooperative action among insurers~~

1 ~~in rate making and in other matters within the scope of the~~
2 ~~insurance code. Nothing in this chapter is intended (1) to pro-~~
3 ~~hibit or discourage reasonable competition, or (2) to prohibit,~~
4 ~~or encourage except to the extent necessary to accomplish the~~
5 ~~forementioned purpose, uniformity in insurance rates, rating~~
6 ~~systems, rating plans, or practices. (2) With respect to~~
7 ~~worker's compensation insurance, the~~ THE purposes of this chap-
8 ter are:

9 (a) To protect policyholders and the public against the
10 adverse effects of excessive, inadequate, or unfairly discrimina-
11 tory rates.

12 (b) To promote price competition among insurers ~~writing~~
13 ~~worker's compensation insurance~~ so as to encourage rates which
14 will result in the lowest possible rates consistent with ~~the~~
15 benefits, AND, FOR WORKER'S COMPENSATION INSURANCE, CONSISTENT
16 WITH THE BENEFITS established in the worker's disability compen-
17 sation act of 1969, Act No. 317 of the Public Acts of 1969, as
18 amended, being sections 418.101 to 418.941 of the Michigan
19 Compiled Laws, and with maintaining the solvency of insurers.

20 (c) To provide regulatory controls and other activity in the
21 absence of competition.

22 (d) To improve the availability, fairness, and reliability
23 of ~~worker's compensation~~ insurance.

24 (2) ANTITRUST PENALTY PROVISIONS IN THIS CHAPTER ARE NOT
25 INCLUSIVE REMEDIES AND VIOLATORS MAY BE SUBJECT TO ANY OTHER PEN-
26 ALTY PROVISIONS PROVIDED BY LAW.

1 (3) This chapter shall be liberally interpreted to carry
2 into effect the provisions of this section.

3 Section 2. This amendatory act shall not take effect unless
4 all of the following bills of the 85th Legislature are enacted
5 into law:

6 (a) Senate Bill No. 269.

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8 (b) Senate Bill No. 270.

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10 (c) Senate Bill No. 272.

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12 (d) Senate Bill No. 273.

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14 (e) Senate Bill No. 274.

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16 (f) Senate Bill No. 275.

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18 (g) Senate Bill No. 276.

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20 (h) Senate Bill No. 277.

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22 (i) Senate Bill No. 268.

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