

SUBSTITUTE FOR
HOUSE BILL NO. 5891

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. (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:**

8 (a) A description of the specific rating classifications by

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

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

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

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

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

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

1 insurance at a more favorable premium.

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

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

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

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

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

26 (d) ~~Upon~~ **ON** request, submit an application of the eligible
27 person for automobile insurance or home insurance to the insurer

1 selected by the eligible person.

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

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

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

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

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

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

23 (2) An injured person is a natural person suffering accidental
24 bodily injury.

25 (3) An insurer providing personal protection insurance
26 benefits **UNDER THIS CHAPTER** may offer, at appropriately reduced
27 premium rates, a deductible of a specified dollar amount. ~~which~~

1 ~~does not exceed \$300.00 per accident. This deductible may be~~
2 ~~applicable to all or any specified types of personal protection~~
3 ~~insurance benefits, but shall apply only to benefits payable to the~~
4 ~~person named in the policy, his OR HER spouse, and any relative of~~
5 ~~either domiciled in the same household. Any other deductible~~
6 ~~provisions require the prior approval of the commissioner.~~

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