

**STATE OF MICHIGAN  
96TH LEGISLATURE  
REGULAR SESSION OF 2012**

Introduced by Rep. Lund

# ENROLLED HOUSE BILL No. 5891

AN ACT to amend 1956 PA 218, entitled "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act," by amending sections 2112, 2116, 2248, 3109, and 3109a (MCL 500.2112, 500.2116, 500.2248, 500.3109, and 500.3109a), sections 2112 and 2116 as amended by 1980 PA 461.

*The People of the State of Michigan enact:*

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

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

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

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

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

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

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

(2) In a written notice provided under subsection (1), the insurer shall provide the policyholder with a telephone number and an internet address, by either of which the policyholder may contact the insurer to request the information listed in subsection (1). On request of the policyholder, the insurer shall provide the policyholder with the requested information in either a written or electronic format, as requested by the policyholder.

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

(a) Provide each eligible person seeking automobile insurance or home insurance a premium quotation for the forms or types of insurance coverages that are offered by the insurers represented by the agent and that are sought by the eligible person.

(b) Inform the eligible person of the number of insurers that he or she represents. If the agent represents additional insurers from which the eligible person may obtain insurance, the agent may provide additional premium quotations as requested by the eligible person.

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

(d) On request, submit an application of the eligible person for automobile insurance or home insurance to the insurer selected by the eligible person.

(e) For automobile insurance only, at least annually, supply, with the renewal of a policy, to each insured, unless the information is available from the insurer, all of the following:

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

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

(iii) A statement that the agent will, on request, furnish to the insured a set of quotations from insurers represented by the agent from whom the insured may obtain insurance, as required in this subsection.

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

Sec. 2248. (1) A policy of insurance against fire, theft, property damage, collision, or liability in connection with automobile coverage shall not be issued unless the policy, or an exact copy of the policy, is delivered to the insured.

(2) For purposes of this section, a personal automobile insurance policy and endorsements that do not contain personally identifiable information may be delivered by mailing, delivery, or posting on the insurer's internet website. If the insurer elects to post an insurance policy and endorsements on its internet website in lieu of mailing or delivering them to the named insured, the insurer shall comply with all of the following conditions:

(a) The policy and endorsements are easily accessible and remain easily accessible for as long as the policy is in force.

(b) After the expiration of the policy, the insurer archives the policy and endorsements and makes them available on request at no charge or for a reasonable charge.

(c) The policy and endorsements are posted in a manner that enables the insured to print and save the policy and endorsements using programs or applications that are widely available on the internet and free to use.

(d) The insurer provides notice to the named insured with each declarations page of a method by which an insured may obtain, on request and without charge, a paper or electronic copy of the policy or endorsements.

(e) On each declarations page issued to an insured, the insurer clearly identifies the exact policy and endorsement forms purchased by the insured.

(f) The insurer provides notice, in the manner by which it customarily communicates with a named insured, of any of the changes to the forms or endorsements and the insured's right to obtain, on request and without charge, a paper copy of the forms or endorsements.

Sec. 3109. (1) Benefits provided or required to be provided under the laws of any state or the federal government shall be subtracted from the personal protection insurance benefits otherwise payable for the injury under this chapter.

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

(3) An insurer providing personal protection insurance benefits under this chapter may offer, at appropriately reduced premium rates, a deductible of a specified dollar amount. This deductible may be applicable to all or any specified types of personal protection insurance benefits, but shall apply only to benefits payable to the person named in the policy, his or her spouse, and any relative of either domiciled in the same household.

Sec. 3109a. An insurer providing personal protection insurance benefits under this chapter may offer, at appropriately reduced premium rates, deductibles and exclusions reasonably related to other health and accident coverage on the insured. Any deductibles and exclusions offered under this section are subject to prior approval by the commissioner and shall apply only to benefits payable to the person named in the policy, the spouse of the insured, and any relative of either domiciled in the same household.

This act is ordered to take immediate effect.



-----  
Clerk of the House of Representatives



-----  
Secretary of the Senate

Approved .....

-----  
Governor