

**Michigan Office of Administrative Hearings and Rules**

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**AGENCY REPORT TO THE  
JOINT COMMITTEE ON ADMINISTRATIVE RULES (JCAR)**

**1. Agency Information**

**Agency name:**

Insurance and Financial Services

**Division/Bureau/Office:**

Insurance

**Name of person completing this form:**

Julie Agueros

**Phone number of person completing this form:**

517-284-8787

**E-mail of person completing this form:**

AguerosJ@michigan.gov

**Name of Department Regulatory Affairs Officer reviewing this form:**

Sarah Wohlford

**2. Rule Set Information**

**MOAHR assigned rule set number:**

2020-25 IF

**Title of proposed rule set:**

Essential Insurance

**3. Purpose for the proposed rules and background:**

These rules: a) set forth standards for evaluating rates charged in relation to policies issued under the Chapter 21 of the Insurance Code of 1956, MCL 500.2101 to 500.2131 (also known as the Essential Insurance Act or EIA); b) establish procedures to be followed in processing requests for a “review and determination” and “private informal managerial level conference” under Section 2113 of the Insurance Code, MCL 500.2113; and c) set forth reporting and claim information requirements and procedures applicable to insurers. The proposed amendments will: a) clarify the processes applicable to review and determinations and private informal managerial level conferences; b) make technical changes to more clearly differentiate between the private informal managerial level conference that must precede a review and determination and the review and determination itself; c) provide for a remedy to be imposed by the Director to resolve a review and determination based on an incorrect premium charge; and d) make other general revisions for consistency and clarity.

**4. Summary of proposed rules:**

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### **5. List names of newspapers in which the notice of public hearing was published and publication dates:**

The Daily Press (Escanaba): September 9, 2020  
Lansing State Journal: September 9, 2020  
Oakland Press: September 9, 2020

### **6. Date of publication of rules and notice of public hearing in Michigan Register:** 9/15/2020

### **7. Date, time, and location of public hearing:**

9/24/2020 10:30 AM at Virtual via Microsoft Teams pursuant to Executive Order 2020-154 ,  
Telephone Number: 248-509-0316 (Conference ID: 351 136 085#); URL:  
<http://bit.ly/EIADraftRulesPublicHearing>

### **8. Provide the link the agency used to post the regulatory impact statement and cost-benefit analysis on its website:**

<https://ARS.apps.lara.state.mi.us/Transaction/RFRTtransaction?TransactionID=153>

### **9. List of the name and title of agency representative(s) attending public hearing:**

Renee Campbell, Director, Office of Consumer Services  
Amy Miilu, Manager, Consumer Assistance Section  
Sarah Wohlford, Senior Deputy Director  
Julie Agueros, Administrative Law Specialist

### **10. Persons submitting comments of support:**

There were no express comments in support of the rule set; Insurance Alliance of Michigan submitted written “thoughts and suggestions.”

### **11. Persons submitting comments of opposition:**

There were no express comments in opposition of the rule set; Insurance Alliance of Michigan submitted written “thoughts and suggestions,” which included objections to certain specific provisions.

### **12. Identify any changes made to the proposed rules based on comments received during the public comment period:**

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	<b>Name &amp; Organization</b>	<b>Comments made at public hearing</b>	<b>Written Comments</b>	<b>Agency Rationale for change</b>	<b>Rule number &amp; citation changed</b>
1	Dyck E. Van Koevering - Insurance Alliance of Michigan		The definition of “incorrect premium” is too broad; delete the definition.	Definition is modified to apply narrowly to rates inconsistent to those approved by DIFS.	R 500.1501 (1)(e)
2	Dyck E. Van Koevering - Insurance Alliance of Michigan		All rule language that repeats statutory language should be deleted or modified.	A goal of this rule filing is to provide more consistency with applicable statutory text; minor adjustments were made to the cited rule.	R 500.1505 (1), (2)
3	Dyck E. Van Koevering - Insurance Alliance of Michigan		The rules should specify what it means for a person to “inform” an insurer of an improper denial or incorrect premium.	DIFS concluded that the rule language was adequate to determine what it means to "inform" an insurer.	No change.
4	Dyck E. Van Koevering - Insurance Alliance of Michigan		The rules should require a person to allege with specificity why they believe the insurer improperly denied insurance or charged an incorrect premium.	The cited rules were modified to include the phrase “reason to believe,” which better reflects MCL 500.2113.	R 500.1508 (1), (2); R 500.1510(1)
5	Dyck E. Van Koevering - Insurance Alliance of Michigan		R 500.1508 should be modified to avoid deferring to the consumer regarding the manner in which a conference should be held.	Modification to the cited rule was made based on language in MCL 500.2113.	R500.1508(3) (c)(ii)

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6	Dyck E. Van Koevering - Insurance Alliance of Michigan		R 500.1508 fails to explain what happens if a consumer does not respond to the insurer's notice of rights.	The cited subrule was added to provide a time period within which a consumer must respond.	R 500.1508 (4)
7	Dyck E. Van Koevering - Insurance Alliance of Michigan		R 500.1514(3) should be deleted as inconsistent with caselaw.	The cited rule was modified to refer to the Director's authority to issue an appropriate remedy.	R 500.1514

**13.Date report completed:**

1/19/2021