

# SENATE BILL No. 1024

January 22, 2008, Introduced by Senators CLARK-COLEMAN, JACOBS, ANDERSON, BRATER, THOMAS, GLEASON, SCHAUER, SWITALSKI, BASHAM, HUNTER, CHERRY and CLARKE and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 2115 (MCL 500.2115), as amended by 1980 PA 461.

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

1           Sec. 2115. (1) ~~If as~~**AS** part of a decision in a proceeding  
 2 under section 2114, or in a separate proceeding on the  
 3 commissioner's own motion, held pursuant to ~~Act No. 306 of the~~  
 4 ~~Public Acts of 1969, as amended, the commissioner finds that a~~  
 5 ~~reasonable degree of competition does not exist on a statewide~~  
 6 ~~basis with respect to automobile insurance or home insurance,~~**THE**  
 7 **ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO**  
 8 **24.328,** the commissioner ~~shall by~~**MAY** order ~~require each~~**AN**  
 9 **AUTOMOBILE OR HOME** insurer which ~~transacts that type of insurance~~

1 ~~in this state~~ to comply with the provisions of chapter 24 or 26, as  
2 the case may be. ~~, with respect to that insurance which was the~~  
3 ~~subject of the commissioner's finding.~~ The order shall take effect  
4 not less than 90 nor more than 150 days after the order is issued.  
5 On or after the effective date of an order issued under this  
6 subsection, none of the provisions of this chapter ~~shall be~~ **IS**  
7 applicable to the insurance ~~which~~ **THAT** was the subject of the  
8 order.

9 (2) After an order issued pursuant to subsection (1) has been  
10 in effect for 1 year, ~~if the commissioner has reason to believe~~  
11 ~~that there would be a reasonable degree of price competition for~~  
12 ~~the type of insurance affected by the order,~~ **THE COMMISSIONER, ON**  
13 **HIS OR HER OWN MOTION,** or ~~if,~~ upon the petition of an insurer or a  
14 resident of this state, ~~there is a showing that there is reason to~~  
15 ~~believe that there would be a reasonable degree of price~~  
16 ~~competition for that type of insurance, the commissioner shall~~ **MAY**  
17 hold a hearing pursuant to ~~Act No. 306 of the Public Acts of 1969,~~  
18 ~~as amended,~~ **THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306,**  
19 **MCL 24.201 TO 24.328,** to determine ~~if a reasonable degree of price~~  
20 ~~competition would exist if~~ **WHETHER** the order were no longer **ISSUED**  
21 **UNDER SUBSECTION (1) SHOULD REMAIN** in effect. The hearing shall be  
22 held upon not less than 20 days' written notice to each insurer  
23 subject to the order **UNDER SUBSECTION (1)** and upon not less than 20  
24 days' notice in not less than 3 newspapers of general circulation  
25 within this state.

26 (3) If the commissioner finds after the hearing that a  
27 ~~reasonable degree of price competition would exist,~~ **AN ORDER ISSUED**

1 **UNDER SUBSECTION (1) SHOULD NOT REMAIN IN EFFECT,** the commissioner  
2 shall by order state when, not less than 90 nor more than 150 days  
3 after issuance of a new order, the ~~preceding order~~ **UNDER SUBSECTION**  
4 **(1)** will no longer be effective. On and after the effective date of  
5 an order issued under this subsection, the provisions of this  
6 chapter shall be applicable to the type of insurance ~~which~~**THAT** was  
7 the subject of the order **UNDER SUBSECTION (1)**.

8 Enacting section 1. This amendatory act does not take effect  
9 unless all of the following bills of the 94th Legislature are  
10 enacted into law:

11 (a) Senate Bill No. 1023.

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13 (b) Senate Bill No. 1025.

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15 (c) Senate Bill No. 1026.

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