

SENATE BILL No. 196

February 23, 2011, Introduced by Senators YOUNG and JOHNSON and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 2112 (MCL 500.2112), as amended by 1980 PA 461, and by adding section 2107b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **SEC. 2107B. (1) AT THE TIME OF A RATE FILING FOR AUTOMOBILE**
2 **INSURANCE, THE COMMISSIONER SHALL PROMINENTLY POST THE RATE FILING**
3 **INFORMATION IN PLAIN LANGUAGE ON THE OFFICE OF FINANCIAL AND**
4 **INSURANCE REGULATION WEBSITE.**

5 **(2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, AN**
6 **AUTOMOBILE INSURER SHALL NOT INCREASE RATES FOR AUTOMOBILE**
7 **INSURANCE UNLESS WRITTEN NOTICE IS GIVEN TO INSUREDS OF THE RATE**
8 **INCREASE FILING, NOT LESS THAN 60 DAYS BEFORE THE PROPOSED**
9 **EFFECTIVE DATE OF THE NEW RATES, STATING IN PLAIN LANGUAGE THE**

1 AMOUNT OF THE INCREASE AND THE INSURED'S ABILITY TO REQUEST A
2 PUBLIC HEARING AND PROVIDE WRITTEN COMMENTS TO THE COMMISSIONER
3 CONCERNING THE RATE INCREASE.

4 (3) A PERSON OR ORGANIZATION AGGRIEVED WITH RESPECT TO ANY
5 RATE FILING MAY REQUEST THE COMMISSIONER TO CONDUCT A PUBLIC
6 HEARING TO PROVIDE INPUT REGARDING THE RATE FILING. THE
7 COMMISSIONER MAY GRANT A REQUEST FOR A PUBLIC HEARING AND MAY
8 DESIGNATE 1 OR MORE PERSONS TO CONDUCT THE PUBLIC HEARING IF THE
9 COMMISSIONER CONSIDERS A PUBLIC HEARING NECESSARY AND APPROPRIATE
10 FOR FACT-FINDING OR INFORMATION GATHERING BEFORE MAKING DECISIONS,
11 POLICIES, AND DETERMINATIONS ALLOWABLE OR REQUIRED BY LAW IN THE
12 COURSE OF CARRYING OUT THE COMMISSIONER'S DUTIES. IN EXAMINING THE
13 RATE FILING, THE COMMISSIONER SHALL TAKE INTO ACCOUNT ANY RELEVANT
14 INPUT RECEIVED AS A RESULT OF A PUBLIC HEARING UNDER THIS SECTION.

15 Sec. 2112. At least annually, in conjunction with a renewal
16 notice, a bill, or other notice of payment due issued to a
17 policyholder in conjunction with automobile and home insurance
18 contracts, an insurer shall send to each policyholder a written
19 notice **IN PLAIN LANGUAGE** of all of the following:

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

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

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

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

13 (e) A description of all of the insurer's underwriting rules
14 based upon insurance eligibility points and a description of all of
15 the underwriting rules of the insurer's affiliates based upon
16 insurance eligibility points.

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