



HOUSE BILL No. 5991

December 7 1994 Introduced by Reps Saunders Yokich DeMars Baade Parks
Murphy and Anthony and referred to the Committee on Insurance

A bill to amend section 3109a of Act No 218 of the Public
Acts of 1956, entitled as amended

'The insurance code of 1956

being section 500 3109a of the Michigan Compiled Laws and to add
sections 2107a and 2112a

THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 3109a of Act No 218 of the Public Acts
2 of 1956 being section 500 3109a of the Michigan Compiled Laws
3 is amended and sections 2107a and 2112a are added to read as
4 follows

5 SEC 2107A EACH AUTOMOBILE INSURER AND HOMEOWNER INSURER
6 SHALL FILE WITH THE COMMISSIONER ITS COMPLETE FORMULA AND POLICY
7 FOR THE PAYMENT OF AGENT COMMISSIONS EACH AUTOMOBILE INSURER
8 AND HOMEOWNER INSURER SHALL USE A FORMULA FOR THE PAYMENT OF
9 AGENT COMMISSIONS THAT IS BASED UPON PREMIUM VOLUME AND SHALL NOT

1 INCLUDE INCENTIVLS OR DISINCENTIVES RELATLD TO RACL SEX OR AGE
2 OF THE INSURED OR ANY FACTOR THAT WOULD LESSEN THE AVAILABILITY
3 OF COVERAGE

4 SEC 2112A (1) AN AUTOMOBILE INSURER SHALL NOT INCREASE
5 THE PREMIUM FOR AN AUTOMOBILE INSURANCE POLICY THAT IS BEING
6 RENEWED IF THE INCREASE IS DUE TO AN INCREASE IN RATES UNLESS THE
7 INSURER SENDS THE RENEWAL NOTICE SHOWING THE HIGHER PREMIUM TO
8 THE INSURED AT LEAST 30 DAYS BEFORE THE INSURANCE POLICY RENEWAL
9 DATE IF AN INSURER DOES NOT SEND THE RENEWAL NOTICE SHOWING THE
10 HIGHER PREMIUM TO THE INSURED AT LEAST 30 DAYS BEFORE THE INSUR-
11 ANCE POLICY RENEWAL DATE, THE INSURED IS NOT LIABLE FOR THE PRO-
12 RATED INCREASE IN PREMIUM TO BE EARNED PRIOR TO 30 DAYS AFTER
13 RECEIPT OF NOTICE

14 (2) AS USED IN THIS SECTION PRORATED INCREASE IN PREMIUM
15 MEANS THE AMOUNT OF INCREASE IN PREMIUM DIVIDED BY THE NUMBER OF
16 DAYS IN THE BILLING PERIOD MULTIPLIED BY THE NUMBER OF DAYS
17 EXEMPTED BY SUBSECTION (1)

18 Sec 3109a (1) An insurer providing personal protection
19 insurance benefits shall offer at appropriately reduced premium
20 rates, deductibles and exclusions reasonably related to other
21 health and accident coverage on the insured The deductibles and
22 exclusions required to be offered by this section ~~shall be~~ ARE
23 subject to prior approval by the commissioner and ~~shall~~ apply
24 only to benefits payable to the person named in the policy the
25 spouse of the insured, and any relative of either domiciled in
26 the same household

1 (2) HEALTH AND ACCIDENT COVERAGE THAT DOES NOT BECOME
2 EFFECTIVE UNTIL AFTER THE DATE OF THE INJURY IS SECONDARY TO
3 PERSONAL PROTECTION INSURANCE BENEFITS FOR ALL SERVICES RELATED
4 TO THE INJURY

5 (3) COVERAGE UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT
6 CHAPTER 531, 49 STAT 620, 42 U S C 1395 TO 1395b, 1395b-2,
7 1395c TO 1395i 1395i-2 TO 1395i-4 1395j TO 1395t 1395u TO
8 1395w-2 1395w-4 TO 1395ccc, OR TITLE XIX OF THE SOCIAL SECURITY
9 ACT, CHAPTER 531, 49 STAT 620, 42 U S C 1396 TO 1396g AND 1396i
10 TO 1396v OR PURSUANT TO A MEDICARE SUPPLEMENTAL POLICY OR CER-
11 TIFICATE IS NOT CONSIDERED OTHER HEALTH AND ACCIDENT COVERAGE FOR
12 PURPOSES OF THIS SECTION