SENATE BILL No. 906

December 18, 2003, Introduced by Senators ALLEN, BIRKHOLZ, KUIPERS, GILBERT, GOSCHKA and PRUSI and referred to the Committee on Banking and Financial Institutions.

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A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"

(MCL 500.100 to 500.8302) by adding section 452.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:
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1 Sec. 452. (1) As a condition of its authority to transact

2 insurance in this state, an insurer shall pay by April 1 of each

3 year an assessment as provided in subsection (2) written on the

4 following classifications of insurance for a risk resident or

5 located within this state for the prior calendar year:

- (a) Homeowners multiple peril.
- (b) Farmowners multiple peril.
- (c) Commercial multiple peril (liability).
- (d) Commercial multiple peril (nonliability).
- (e) Group automobile.
 - (f) Private passenger nonfleet automobile.

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- 1 (2) The assessment under this section for each insurer
- 2 described in subsection (1) is the product of (A divided by R)
- 3 multiplied by (M multiplied by R). As used in this subsection:
- 4 (a) "A" means \$10,600,000.00 for 2004, and as adjusted
- 5 annually by the increase in the consumer price index for every
- 6 year after 2004.
- 7 (b) "Consumer price index" means the annual average
- 8 percentage increase in the Detroit consumer price index for all
- 9 items for the prior 12-month period as reported by the United
- 10 States department of labor and as certified by the commissioner.
- 11 (c) "M" means the insurer's percentage of market share in
- 12 this state for the insurance subject to subsection (1) for the
- 13 year immediately preceding the year of the assessment as
- 14 determined by the office of financial and insurance services.
- 15 (d) "R" means the total number of fire runs as reported by
- 16 the department of state police for the year immediately preceding
- 17 the year of the assessment.
- 18 (3) The assessment under this section shall be deposited into
- 19 the fire fighters training fund created in section 13 of the fire
- 20 fighters training council act of 1966, 1966 PA 291, MCL 29.373.
- 21 Enacting section 1. This amendatory act does not take
- 22 effect unless Senate Bill No. 905
- of the 92nd Legislature is enacted into
- 24 law.

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