

SENATE BILL No. 1035

January 22, 2008, Introduced by Senators SCOTT, JACOBS, CLARK-COLEMAN, ANDERSON, BRATER, THOMAS, GLEASON, SCHAUER, 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 2120 (MCL 500.2120), as amended by 2007 PA 35.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2120. (1) Affiliated insurers may establish underwriting
2 rules so that each affiliate will provide automobile insurance only
3 to certain eligible persons. This subsection shall apply only if an
4 eligible person can obtain automobile insurance from 1 of the
5 affiliates. The underwriting rules shall be in compliance with this
6 section ~~, section~~ **AND SECTIONS** 2118 ~~, and section~~ 2119.

7 (2) An insurer may establish separate rating plans so that
8 certain eligible persons are provided automobile insurance under 1
9 rating plan and other eligible persons are provided automobile
10 insurance under another rating plan. This subsection shall apply

1 only if all eligible persons can obtain automobile insurance under
2 a rating plan of the insurer. Underwriting rules consistent with
3 this section ~~, section~~ **AND SECTIONS** 2118 ~~, and section~~ 2119 shall
4 be established to define the rating plan applicable to each
5 eligible person.

6 (3) Underwriting rules under this section shall be based only
7 on the following:

8 (a) With respect to a vehicle insured or to be insured,
9 substantial modifications from the vehicle's original manufactured
10 state for purposes of increasing the speed or acceleration
11 capabilities of the vehicle.

12 ~~—— (b) Failure of the person to provide proof that insurance~~
13 ~~required by section 3101 was maintained in force with respect to~~
14 ~~any vehicle owned and operated by the person or by a member of the~~
15 ~~household of the person during the 6 month period immediately~~
16 ~~preceding application or renewal of the policy. Such proof shall~~
17 ~~take the form of a certification by the person that the required~~
18 ~~insurance was maintained in force for the 6 month period with~~
19 ~~respect to such vehicle.~~

20 **(B)** ~~(e)~~ For purposes of insuring persons who have refused a
21 deductible lawfully required under section 2118(2)(h) ~~2118(2)(G)~~,
22 the claim experience of the person with respect to comprehensive
23 coverage.

24 **(C)** ~~(d)~~ Refusal of the person to pay a minimum deposit
25 required under section 2118(2)(g) ~~2118(2)(F)~~.

26 **(D)** ~~(e)~~ A person's insurance eligibility point accumulation
27 under section 2103(1)(h), or the total insurance eligibility point

1 accumulation of all persons who account for 10% or more of the use
2 of 1 or more vehicles insured or to be insured under the policy.

3 (E) ~~(f)~~—The type of vehicle insured or to be insured as
4 provided in section ~~2118(2)(e)~~ **2118(2)(D)**.

5 Enacting section 1. This amendatory act does not take effect
6 unless Senate Bill No. 1034

7 of the 94th Legislature is enacted into law.