

HOUSE BILL No. 4424

February 24, 2009, Introduced by Reps. Jackson, Durhal, Young, Geiss, Segal, Smith, Hammel, Bennett, LeBlanc, Gregory, Johnson and Cushingberry and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 2114 (MCL 500.2114).

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2114. (1) A person or organization aggrieved with respect
2 to any filing ~~which~~ **THAT** is in effect and ~~which~~ affects the person
3 or organization may make written application to the commissioner
4 for a hearing on the filing. However, the insurer or rating
5 organization ~~which~~ **THAT** made the filing ~~shall~~ **IS** not be authorized
6 to proceed under this subsection. The application shall specify the
7 grounds to be relied upon by the applicant. If the commissioner
8 finds that the application is made in good faith, that the
9 applicant would be so aggrieved if the grounds specified are
10 established, or that the grounds specified otherwise justify
11 holding a hearing, the commissioner, not more than 30 days after

1 receipt of the application, shall hold a hearing in accordance with
2 ~~Act No. 306 of the Public Acts of 1969, as amended~~ **THE**
3 **ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO**
4 **24.328**, upon not less than 10 days' written notice to the
5 applicant, the insurer, and the rating organization ~~which~~ **THAT** made
6 the filing.

7 (2) If after hearing initiated under subsection (1) or upon
8 the commissioner's own motion pursuant to ~~Act No. 306 of the Public~~
9 ~~Acts of 1969, as amended~~ **THE ADMINISTRATIVE PROCEDURES ACT OF 1969,**
10 **1969 PA 306, MCL 24.201 TO 24.328**, the commissioner finds that a
11 filing does not meet the requirements of sections 2109 and 2111,
12 the commissioner shall issue an order stating the specific reasons
13 for that finding. The order shall state when, within a reasonable
14 time after issuance of the order, the filing shall be considered no
15 longer effective. **IF THE COMMISSIONER DISAPPROVES THE FILING AS NOT**
16 **BEING IN COMPLIANCE WITH SECTION 2109 BECAUSE RATES ARE EXCESSIVE**
17 **OR UNFAIRLY DISCRIMINATORY, HE OR SHE MAY ORDER A REFUND OF THE**
18 **PREMIUM TO BE MADE TO AFFECTED POLICYHOLDERS, IF THE AMOUNT IS**
19 **SUBSTANTIAL AND EQUALS OR EXCEEDS THE COST OF MAKING THE REFUND. A**
20 copy of the order shall be sent to the applicant, if any, and to
21 each insurer and rating organization subject to the order. ~~The~~
22 **EXCEPT FOR AN ADJUSTMENT ORDERED UNDER THIS SECTION, THE** order
23 shall not affect a contract or policy made or issued before the
24 date the filing becomes ineffective, as indicated in the
25 commissioner's order.