

SENATE BILL No. 1064

January 14, 2010, Introduced by Senators SCOTT, JACOBS, CLARKE, BRATER, GLEASON, THOMAS and HUNTER and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 255.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 255. (1) THE MAKE INSURANCE AFFORDABLE AND ACCESSIBLE
2 (MIAA) TASK FORCE IS CREATED WITHIN THE OFFICE OF FINANCIAL AND
3 INSURANCE REGULATION.

4 (2) THE MIAA TASK FORCE SHALL CONSIST OF THE COMMISSIONER OF
5 THE OFFICE OF FINANCIAL AND INSURANCE REGULATION, 1 MEMBER OF THE
6 SENATE APPOINTED BY THE SENATE MAJORITY LEADER, 1 MEMBER OF THE
7 SENATE APPOINTED BY THE SENATE MINORITY LEADER, 1 MEMBER OF THE
8 HOUSE OF REPRESENTATIVES APPOINTED BY THE SPEAKER OF THE HOUSE OF
9 REPRESENTATIVES, 1 MEMBER OF THE HOUSE OF REPRESENTATIVES APPOINTED
10 BY THE MINORITY LEADER OF THE HOUSE OF REPRESENTATIVES, AND THE
11 FOLLOWING 6 MEMBERS, APPOINTED BY THE GOVERNOR:

12 (A) THREE MEMBERS REPRESENTING THE GENERAL PUBLIC, AT LEAST 1

1 OF WHOM SHALL RESIDE IN A COUNTY WITH A POPULATION OF 900,000 OR
2 MORE.

3 (B) ONE MEMBER REPRESENTING AUTOMOBILE INSURERS WITH 15% OR
4 MORE OF THE AUTOMOBILE INSURANCE MARKET IN THIS STATE.

5 (C) ONE MEMBER REPRESENTING AUTOMOBILE INSURERS WITH LESS THAN
6 15% BUT MORE THAN 5% OF THE AUTOMOBILE INSURANCE MARKET IN THIS
7 STATE.

8 (D) ONE MEMBER REPRESENTING AUTOMOBILE INSURERS WITH 5% OR
9 LESS OF THE AUTOMOBILE INSURANCE MARKET IN THIS STATE.

10 (3) THE MEMBERS APPOINTED TO THE MIAA TASK FORCE SHALL BE
11 APPOINTED WITHIN 14 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.

12 (4) IF A VACANCY OCCURS ON THE MIAA TASK FORCE, AN APPOINTMENT
13 FOR THE UNEXPIRED TERM SHALL BE MADE IN THE SAME MANNER AS THE
14 ORIGINAL APPOINTMENT.

15 (5) THE GOVERNOR MAY REMOVE A MEMBER OF THE MIAA TASK FORCE
16 FOR INCOMPETENCY, DERELICTION OF DUTY, MALFEASANCE, MISFEASANCE, OR
17 NONFEASANCE IN OFFICE, OR ANY OTHER GOOD CAUSE.

18 (6) THE FIRST MEETING OF THE MIAA TASK FORCE SHALL BE CALLED
19 NOT LATER THAN 24 DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION. AT
20 THE FIRST MEETING, THE MEMBERS OF THE MIAA TASK FORCE SHALL ELECT
21 FROM AMONG ITS MEMBERS A CHAIRPERSON AND OTHER OFFICERS AS THEY
22 CONSIDER NECESSARY OR APPROPRIATE. AFTER THE FIRST MEETING, THE
23 MIAA TASK FORCE SHALL MEET AT LEAST MONTHLY, OR MORE FREQUENTLY AT
24 THE CALL OF THE CHAIRPERSON OR IF REQUESTED BY 6 OR MORE MEMBERS.

25 (7) A MAJORITY OF THE MEMBERS OF THE MIAA TASK FORCE
26 CONSTITUTE A QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING OF
27 THE MIAA TASK FORCE. A MAJORITY OF THE MEMBERS PRESENT AND SERVING

1 ARE REQUIRED FOR OFFICIAL ACTION OF THE MIAA TASK FORCE.

2 (8) THE BUSINESS THAT THE MIAA TASK FORCE MAY PERFORM SHALL BE
3 CONDUCTED AT A PUBLIC MEETING OF THE MIAA TASK FORCE HELD IN
4 COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976 PA 267, MCL 15.261 TO
5 15.275.

6 (9) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR
7 RETAINED BY THE MIAA TASK FORCE IN THE PERFORMANCE OF AN OFFICIAL
8 FUNCTION IS SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976 PA 442,
9 MCL 15.231 TO 15.246.

10 (10) MEMBERS OF THE MIAA TASK FORCE SHALL SERVE WITHOUT
11 COMPENSATION. HOWEVER, MEMBERS OF THE MIAA TASK FORCE MAY BE
12 REIMBURSED FOR THEIR ACTUAL AND NECESSARY EXPENSES INCURRED IN THE
13 PERFORMANCE OF THEIR OFFICIAL DUTIES AS MEMBERS OF THE MIAA TASK
14 FORCE.

15 (11) THE MIAA TASK FORCE SHALL EXAMINE THE AFFORDABILITY AND
16 AVAILABILITY OF AUTOMOBILE INSURANCE IN ALL AREAS OF THE STATE. IN
17 MAKING THIS EXAMINATION, THE MIAA TASK FORCE SHALL USE THE
18 INFORMATION RECEIVED FROM THE OFFICE OF FINANCIAL AND INSURANCE
19 REGULATION MOST RECENT DATA CALL AND SHALL MEASURE AVERAGE
20 AUTOMOBILE INSURANCE PREMIUMS RELATIVE TO AVERAGE FAMILY INCOME IN
21 EACH COUNTY IN THE STATE.

22 (12) THE MIAA TASK FORCE SHALL EXAMINE WAYS TO INCREASE THE
23 AFFORDABILITY AND AVAILABILITY OF AUTOMOBILE INSURANCE IN ALL AREAS
24 OF THE STATE. IN MAKING THIS EXAMINATION, THE MIAA TASK FORCE SHALL
25 EXAMINE AND REPORT ON AT LEAST ALL OF THE FOLLOWING:

26 (A) HOW AUTOMOBILE INSURANCE IS MARKETED IN THE STATE AND THE
27 AVAILABILITY OF ALL AUTOMOBILE INSURANCE IN ALL MARKETS OF THE

1 STATE.

2 (B) HOW AUTOMOBILE INSURANCE IS PRICED IN THE STATE,
3 INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

4 (i) USE OF TERRITORIAL RATING.

5 (ii) USE OF CREDIT SCORING AND OTHER PREMIUM DISCOUNTS.

6 (iii) USE OF DRIVING RECORDS AND OTHER CLASSIFICATION FACTORS.

7 (C) AUTOMOBILE INSURANCE LOSS RATIOS AND PROFIT MARGINS.

8 (D) AVERAGE COST OF CLAIMS.

9 (E) COST OF MANDATORY BENEFITS.

10 (F) OTHER METHODS TO REDUCE AUTOMOBILE INSURANCE PREMIUMS,
11 INCLUDING, BUT NOT LIMITED TO, GROUP POOLING AND INSURANCE
12 RECIPROCAL EXCHANGES.

13 (13) THE MIAA TASK FORCE SHALL REPORT TO THE SENATE AND HOUSE
14 OF REPRESENTATIVES STANDING COMMITTEES ON INSURANCE ISSUES ON THE
15 EXAMINATIONS CONDUCTED PURSUANT TO THIS SECTION AND SHALL MAKE
16 FINDINGS AND RECOMMENDATIONS BASED ON THOSE EXAMINATIONS BY NOT
17 LATER THAN 1 YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION.