

# HOUSE BILL No. 6092

December 18, 2014, Introduced by Rep. Cavanagh and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 102 and 2112 (MCL 500.102 and 500.2112), section 102 as amended by 2000 PA 252 and section 2112 as amended by 2012 PA 454, and by adding section 2107b.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 102. **AS USED IN THIS ACT:**

2           **(A)** ~~(1) "Commissioner" as used in this act means the~~  
 3 ~~commissioner of the office of financial and insurance services.~~  
 4 **DIRECTOR.**

5           **(B)** ~~(2) "Department" as used in this act means the office~~  
 6 **DEPARTMENT** of ~~financial and insurance~~ **AND FINANCIAL** services.

7           **(C) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.**

8           **SEC. 2107B. (1) AT THE TIME OF A RATE FILING FOR AUTOMOBILE**  
 9 **INSURANCE, THE DIRECTOR SHALL PROMINENTLY POST THE RATE FILING**

1 INFORMATION IN PLAIN LANGUAGE ON THE DEPARTMENT WEBSITE.

2 (2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ACT, AN  
3 AUTOMOBILE INSURER SHALL NOT INCREASE RATES FOR AUTOMOBILE  
4 INSURANCE UNLESS WRITTEN NOTICE IS GIVEN TO INSUREDS OF THE RATE  
5 INCREASE FILING, NOT LESS THAN 60 DAYS BEFORE THE PROPOSED  
6 EFFECTIVE DATE OF THE NEW RATES, STATING IN PLAIN LANGUAGE THE  
7 AMOUNT OF THE INCREASE AND THE INSURED'S ABILITY TO REQUEST A  
8 PUBLIC HEARING AND PROVIDE WRITTEN COMMENTS TO THE DIRECTOR  
9 CONCERNING THE RATE INCREASE.

10 (3) A PERSON OR ORGANIZATION AGGRIEVED WITH RESPECT TO ANY  
11 RATE FILING MAY REQUEST THE DIRECTOR TO CONDUCT A PUBLIC HEARING TO  
12 PROVIDE INPUT REGARDING THE RATE FILING. THE DIRECTOR MAY GRANT A  
13 REQUEST FOR A PUBLIC HEARING AND MAY DESIGNATE 1 OR MORE PERSONS TO  
14 CONDUCT THE PUBLIC HEARING IF THE DIRECTOR CONSIDERS A PUBLIC  
15 HEARING NECESSARY AND APPROPRIATE FOR FACT-FINDING OR INFORMATION  
16 GATHERING BEFORE MAKING DECISIONS, POLICIES, AND DETERMINATIONS  
17 ALLOWABLE OR REQUIRED BY LAW IN THE COURSE OF CARRYING OUT THE  
18 DIRECTOR'S DUTIES. IN EXAMINING THE RATE FILING, THE DIRECTOR SHALL  
19 TAKE INTO ACCOUNT ANY RELEVANT INPUT RECEIVED AS A RESULT OF A  
20 PUBLIC HEARING UNDER THIS SECTION.

21 Sec. 2112. (1) At least annually, in conjunction with a  
22 renewal notice, a bill, or other notice of payment due issued to a  
23 policyholder in conjunction with an automobile or home insurance  
24 contract, an insurer shall send to the policyholder a written  
25 notice **IN PLAIN LANGUAGE** that all of the following information is  
26 available and will be provided to the policyholder on request:

27 (a) A description of the specific rating classifications by

1 which the rates and premiums for the policy have been determined.  
2 The notice shall be of sufficient detail and clarity so that the  
3 policyholder can reasonably verify the applicability and accuracy  
4 of the rating classifications.

5 (b) A general explanation of the extent to which rates or  
6 premiums vary among policyholders on the basis of the rating  
7 classifications used by the insurer.

8 (c) Sources and reasonable procedures by which the  
9 policyholder can obtain from the insurer additional information  
10 sufficient for the policyholder to calculate and confirm the  
11 accuracy of his or her specific premium.

12 (d) Relevant information regarding the rights of the  
13 policyholder, under sections 2113 and 2114, to appeal the  
14 application of the insurer's rating plan in determining his or her  
15 premium, to obtain documentation from the insurer regarding the  
16 determination of the rate, to appeal the application of the  
17 insurer's underwriting rules to the policyholder, to request an  
18 informal conference with the insurer, and to file with the  
19 ~~commissioner~~**DIRECTOR** a complaint as an aggrieved person.

20 (e) A description of all of the insurer's underwriting rules  
21 based on insurance eligibility points and a description of all of  
22 the underwriting rules of the insurer's affiliates based on  
23 insurance eligibility points.

24 (f) A suggestion that the policyholder contact his or her  
25 agent to determine if he or she is eligible for insurance from an  
26 affiliate of the insurer or under a different rating plan of the  
27 insurer that would provide to the policyholder insurance at a more

1 favorable premium.

2 (2) In a written notice provided under subsection (1), the  
3 insurer shall provide the policyholder with a telephone number and  
4 an internet address, by either of which the policyholder may  
5 contact the insurer to request the information listed in subsection  
6 (1). On request of the policyholder, the insurer shall provide the  
7 policyholder with the requested information in either a written or  
8 electronic format, as requested by the policyholder.