

**SUBSTITUTE FOR  
SENATE BILL NO. 531**

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 2111f (MCL 500.2111f), as added by 2019 PA 22.

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

1           Sec. 2111f. (1) Before July 1, 2020, an insurer that offers  
2 automobile insurance in this state shall file premium rates for  
3 personal protection insurance coverage for automobile insurance  
4 policies effective after July 1, 2020.

5           (2) Subject to subsections (6) and (7), the premium rates  
6 filed as required by subsection (1), and any subsequent premium  
7 rates filed by the insurer for personal protection insurance  
8 coverage under automobile insurance policies effective before July  
9 2, 2028, must result, as nearly as practicable, in an average



1 reduction per vehicle from the premium rates for personal  
2 protection insurance coverage that were in effect for the insurer  
3 on May 1, 2019 as follows:

4 (a) For policies subject to the coverage limits under section  
5 3107c(1) (a), an average 45% or greater reduction per vehicle.

6 (b) For policies subject to the coverage limits under section  
7 3107c(1) (b), an average 35% or greater reduction per vehicle.

8 (c) For policies subject to the coverage limits under section  
9 3107c(1) (c), an average 20% or greater reduction per vehicle.

10 (d) For policies not subject to any coverage limit under  
11 section 3107c(1) (d), an average 10% or greater reduction per  
12 vehicle.

13 (3) For a policy under which an election under section 3107d  
14 has been made to not maintain coverage for personal protection  
15 insurance benefits payable under section 3107(1) (a), or for a  
16 policy to which an exclusion under section 3109a(2) applies, the  
17 premium rates filed under subsection (1), and any subsequent  
18 premium rates filed by the insurer for personal protection  
19 insurance coverage, must result in no premium charge for coverage  
20 for personal protection insurance benefits payable under section  
21 3107(1) (a) .

22 (4) The director shall review a filing submitted by an insurer  
23 under subsections (1) to (3) for compliance with this section.  
24 Subject to subsection (7), the director shall disapprove a filing  
25 if after review the director determines that the filing does not  
26 result in the premium reductions required by subsections (2) and  
27 (3) .

28 (5) If the director disapproves a premium rate filing under  
29 subsection (4), the insurer shall submit a revised premium rate



1 filing to the director within 15 days after the disapproval. The  
 2 premium rate filing is subject to review in the same manner as an  
 3 original premium rate filing under subsection (4).

4 (6) For policies issued or renewed in the year beginning July  
 5 1, 2024 and in the year beginning July 1, 2026, an automobile  
 6 insurer that offers automobile insurance in this state shall make  
 7 filings demonstrating its compliance with this section.

8 (7) At any time, an insurer may apply to the director for  
 9 approval to file rates that result in a lower premium reduction  
 10 level or an exemption from the requirements of subsection (2) and  
 11 the director shall approve the application if the rates otherwise  
 12 comply with this act and compliance with the premium reductions  
 13 required by subsection (2) will result in any of the following:

14 (a) The insurer reaching the company action level risk-based  
 15 capital.

16 (b) A violation of the Fourteenth Amendment of the United  
 17 States Constitution as to the insurer. This subdivision does not  
 18 apply after July 1, 2023.

19 (c) A violation of section 17 of article I of the state  
 20 constitution of 1963, as to deprivation of property without due  
 21 process. This subdivision does not apply after July 1, 2023.

22 (8) An insurer shall pass on, in filings to which this section  
 23 applies, savings realized from the application of section 3157(2)  
 24 to ~~(12)~~ **(15)** to treatment, products, services, accommodations, or  
 25 training rendered to individuals who suffered accidental bodily  
 26 injury from motor vehicle accidents that occurred before July 2,  
 27 2021. An insurer shall provide the director with all documents and  
 28 information requested by the director that the director determines  
 29 are necessary to allow the director to evaluate the insurer's



1 compliance with this subsection. After July 1, 2022, the director  
2 shall review all rate filings to which this section applies for  
3 compliance with this subsection.

4 (9) This section does not prohibit an increase for any  
5 individual insurance policy premium if the increase results from  
6 applying rating factors as approved under this chapter, including  
7 the requirements of this section.

8 (10) After July 1, 2020 and before July 2, 2028, an insurer  
9 shall not issue or renew an automobile insurance policy in this  
10 state unless the premium rates filed by the insurer for personal  
11 protection insurance coverage are approved under this section.

12 (11) For purposes of calculating a personal protection  
13 insurance premium or premium rate under this section, the premium  
14 must include the catastrophic claims assessment imposed under  
15 section 3104.

16 (12) If subsection (2) or the application of subsection (2) to  
17 any insurer is found to be invalid by a court, the remaining  
18 portions of the amendatory act that added this section are not  
19 severable and shall be deemed invalid and inoperable.

20 (13) As used in this section:

21 (a) "Authorized control level RBC" means the number determined  
22 under the risk-based capital formula in accordance with the RBC  
23 report, including risk-based capital instructions adopted by the  
24 National Association of Insurance Commissioners and the director.

25 (b) "Company action level risk-based capital" means 2 times  
26 the insurer's authorized control level RBC.

27 (c) "RBC report" means the report of the insurer's RBC levels  
28 as required by the annual statement instructions.

29 Enacting section 1. This amendatory act does not take effect



1 unless Senate Bill No. 530 of the 102nd Legislature is enacted into  
2 law.

