

# SENATE BILL NO. 531

September 26, 2023, Introduced by Senators ANTHONY, CAVANAGH, DAMOOSE, IRWIN, POLEHANKI, MCMORROW, CHANG, GEISS, SINGH, WOJNO, BAYER, KLINEFELT, BRINKS, MOSS, CAMILLERI, SHINK, BUMSTEAD and OUTMAN and referred to the Committee on Finance, Insurance, and Consumer Protection.

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

1 rates filed by the insurer for personal protection insurance  
2 coverage under automobile insurance policies effective before July  
3 2, 2028, must result, as nearly as practicable, in an average  
4 reduction per vehicle from the premium rates for personal  
5 protection insurance coverage that were in effect for the insurer  
6 on May 1, 2019 as follows:

7 (a) For policies subject to the coverage limits under section  
8 3107c(1) (a), an average 45% or greater reduction per vehicle.

9 (b) For policies subject to the coverage limits under section  
10 3107c(1) (b), an average 35% or greater reduction per vehicle.

11 (c) For policies subject to the coverage limits under section  
12 3107c(1) (c), an average 20% or greater reduction per vehicle.

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

16 (3) For a policy under which an election under section 3107d  
17 has been made to not maintain coverage for personal protection  
18 insurance benefits payable under section 3107(1) (a), or for a  
19 policy to which an exclusion under section 3109a(2) applies, the  
20 premium rates filed under subsection (1), and any subsequent  
21 premium rates filed by the insurer for personal protection  
22 insurance coverage, must result in no premium charge for coverage  
23 for personal protection insurance benefits payable under section  
24 3107(1) (a) .

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

1 (3).

2 (5) If the director disapproves a premium rate filing under  
3 subsection (4), the insurer shall submit a revised premium rate  
4 filing to the director within 15 days after the disapproval. The  
5 premium rate filing is subject to review in the same manner as an  
6 original premium rate filing under subsection (4).

7 (6) For policies issued or renewed in the year beginning July  
8 1, 2024 and in the year beginning July 1, 2026, an automobile  
9 insurer that offers automobile insurance in this state shall make  
10 filings demonstrating its compliance with this section.

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

17 (a) The insurer reaching the company action level risk-based  
18 capital.

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

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

25 (8) An insurer shall pass on, in filings to which this section  
26 applies, savings realized from the application of section 3157(2)  
27 to ~~(12)~~ **(7)** to treatment, products, services, accommodations, or  
28 training rendered to individuals who suffered accidental bodily  
29 injury from motor vehicle accidents that occurred before July 2,

1 2021. An insurer shall provide the director with all documents and  
2 information requested by the director that the director determines  
3 are necessary to allow the director to evaluate the insurer's  
4 compliance with this subsection. After July 1, 2022, the director  
5 shall review all rate filings to which this section applies for  
6 compliance with this subsection.

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

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

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

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

23 (13) As used in this section:

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

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

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

3           Enacting section 1. This amendatory act does not take effect  
4 unless Senate Bill No. 530 of the 102nd Legislature is enacted into  
5 law.