

# HOUSE BILL No. 5336

November 20, 1991, Introduced by Rep. Gagliardi and referred to the Committee on Insurance.

A bill to amend section 2108 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

being section 500.2108 of the Michigan Compiled Laws; and to repeal certain parts of the act.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 2108 of Act No. 218 of the Public Acts  
2 of 1956, being section 500.2108 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4       Sec. 2108. (1) On the effective date thereof, each insurer  
5 shall file with the commissioner every manual of classification,  
6 every manual of rules and rates, every rating plan, and every  
7 modification of a manual of classification, manual of rules and  
8 rates, or a rating plan ~~which~~ THAT it proposes to use for

1 automobile insurance and home insurance. Each filing shall state  
2 the character and extent of the coverage contemplated. Each  
3 insurer subject to this chapter who maintains rates in any part  
4 of this state shall at all times maintain rates in effect for all  
5 eligible persons meeting the underwriting criteria of the  
6 insurer.

7       (2) ~~An~~ EXCEPT FOR FILINGS CONCERNING RATES, AN insurer may  
8 satisfy its obligation to make filings ~~under subsection (1)~~ by  
9 becoming a member of, or a subscriber to, a LICENSED rating orga-  
10 nization ~~licensed under chapter 24 or chapter 26 which~~ THAT  
11 makes ~~those~~ filings, and by filing with the commissioner a copy  
12 of its authorization of the rating organization to make ~~those~~  
13 filings on its behalf. Nothing contained in this chapter shall  
14 be construed as requiring any insurer to become a member of or a  
15 subscriber to any rating organization. Insurers may file and use  
16 deviations from filings made on their behalf, which deviations  
17 shall be subject to the provisions of this chapter.

18       (3) Each filing shall be accompanied by a certification by  
19 or on behalf of the insurer that, to the best of its information  
20 and belief, the filing conforms to the requirements of this  
21 chapter.

22       (4) Each filing shall include information that supports the  
23 filing with respect to the requirements of section 2109. The  
24 information may include 1 or more of the following:

25       (a) The experience or judgment of the insurer ~~or rating~~  
26 ~~organization~~ making the filing.

1 (b) The interpretation of the insurer ~~or rating~~  
2 ~~organization~~ of any statistical data it relies upon.

3 (c) The experience of other insurers. ~~or rating~~  
4 ~~organizations.~~

5 (d) Any other relevant information.

6 (5) A filing and any accompanying information shall be open  
7 to public inspection upon filing.

8 (6) An insurer shall not make, issue, or renew a contract or  
9 policy except in accordance with filings ~~which~~ THAT are in  
10 effect for the insurer pursuant to this chapter.

11 (7) AS A CONDITION OF MAINTAINING ITS CERTIFICATE OF AUTHOR-  
12 ITY, AN INSURER SHALL NOT DO ANY OF THE FOLLOWING:

13 (A) HAVE ANY RATES FILED ON ITS BEHALF IN THIS STATE BY A  
14 RATING ORGANIZATION.

15 (B) SHARE INFORMATION WITH ANY OTHER INSURER OR RATING ORGA-  
16 NIZATION CONCERNING ESTABLISHING RATES OR RATING SYSTEMS.

17 (C) AGREE WITH ANY OTHER INSURER OR RATING ORGANIZATION TO  
18 ADHERE TO OR USE ANY RATE, RATING PLAN, RATING SCHEDULE, RATING  
19 RULE, OR UNDERWRITING RULE IN THIS STATE.

20 (D) MAKE AVAILABLE TO ANY OTHER INSURER OR RATING ORGANI-  
21 ZATION ACTUARIAL PROJECTIONS, TRENDING FACTORS, PROFITS, OR  
22 EXPENSES EXCEPT LOSS ADJUSTMENT EXPENSES.

23 Section 2. Sections 122, 2446, and 2640 of Act No. 218 of  
24 the Public Acts of 1956, being sections 500.122, 500.2446, and  
25 500.2640 of the Michigan Compiled Laws, are repealed.

1       Section 3. This amendatory act shall not take effect unless  
2 all of the following bills of the 86th Legislature are enacted  
3 into law:

4       (a) Senate Bill No. \_\_\_\_\_ or House Bill No. 5340 (request  
5 no. 00706'91).

6       (b) Senate Bill No. \_\_\_\_\_ or House Bill No. 5335 (request  
7 no. 00707'91).

8       (c) Senate Bill No. \_\_\_\_\_ or House Bill No. 5334 (request  
9 no. 00708'91).

10      (d) Senate Bill No. \_\_\_\_\_ or House Bill No. 5338 (request  
11 no. 00709'91).

12      (e) Senate Bill No. \_\_\_\_\_ or House Bill No. 5339 (request  
13 no. 00710'91).

14      (f) Senate Bill No. \_\_\_\_\_ or House Bill No. 5337 (request  
15 no. 00712'91).

16      (g) Senate Bill No. \_\_\_\_\_ or House Bill No. 5333 (request  
17 no. 00713'91).

18      (h) Senate Bill No. \_\_\_\_\_ or House Bill No. 5331 (request  
19 no. 00714'91).

20      (i) Senate Bill No. \_\_\_\_\_ or House Bill No. 5332 (request  
21 no. 00715'91).