

HOUSE BILL No. 5339

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

A bill to amend section 2400 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended by Act No. 8 of the Public Acts of 1982, being section 500.2400 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 2400 of Act No. 218 of the Public Acts
2 of 1956, as amended by Act No. 8 of the Public Acts of 1982,
3 being section 500.2400 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 2400. (1) ~~Except with respect to worker's compensa-~~
6 ~~tion insurance, the~~ THE purpose of this chapter is to promote
7 the public welfare by regulating insurance rates to the end that
8 they shall not be excessive, inadequate, or unfairly
9 discriminatory, and to ~~authorize and~~ regulate cooperative

1 action among insurers in rate-making and ~~in other~~ matters
2 within the scope of the insurance code. Nothing in this chapter
3 is intended ~~(1)~~ to prohibit or discourage reasonable
4 competition. ~~, or (2) to prohibit, or encourage except to the~~
5 ~~extent necessary to accomplish the aforementioned purpose, uni-~~
6 ~~formity in insurance rates, rating systems, rating plans, or~~
7 ~~practices. (2) With respect to worker's compensation insurance,~~
8 ~~the~~ THE purposes of this chapter ~~are~~ ALSO INCLUDE:

9 (a) ~~To protect~~ PROTECTING policyholders and the public
10 against the adverse effects of excessive, inadequate, or unfairly
11 discriminatory rates.

12 (b) ~~To promote~~ PROMOTING price competition among insurers
13 ~~writing worker's compensation insurance~~ so as to encourage
14 rates which will result in the lowest possible rates consistent
15 with ~~the~~ benefits ~~established in the worker's disability com-~~
16 ~~pensation act of 1969, Act No. 317 of the Public Acts of 1969, as~~
17 ~~amended, being sections 418.101 to 418.941 of the Michigan~~
18 ~~Compiled Laws,~~ and with maintaining the solvency of insurers.

19 (c) ~~To provide~~ PROVIDING regulatory controls and other
20 activity in the absence of competition.

21 (d) ~~To improve~~ IMPROVING the availability, fairness, and
22 reliability of ~~worker's compensation~~ insurance.

23 (2) ANTITRUST PROVISIONS IN THIS CHAPTER ARE NOT EXCLUSIVE
24 AND OTHER PROVISIONS PROVIDED BY LAW MAY APPLY.

25 (3) This chapter shall be liberally interpreted to carry
26 into effect the provisions of this section.

1 (4) THE COMMISSIONER SHALL REPORT TO THE LEGISLATURE BY
2 JANUARY 1, 1996 AS TO WHETHER INSURER COMPETITIVENESS IN THE
3 MARKETPLACE HAS INCREASED OR DECREASED AS A RESULT OF THE AMENDA-
4 TORY ACT THAT ADDED THIS SUBSECTION AND THE EFFECT THE INCREASE
5 OR DECREASE IN COMPETITIVENESS HAS HAD ON INSURANCE RATES.

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

9 (a) Senate Bill No. _____ or House Bill No. 5340 (request
10 no. 00706'91).

11 (b) Senate Bill No. _____ or House Bill No. 5335 (request
12 no. 00707'91).

13 (c) Senate Bill No. _____ or House Bill No. 5334 (request
14 no. 00708'91).

15 (d) Senate Bill No. _____ or House Bill No. 5338 (request
16 no. 00709'91).

17 (e) Senate Bill No. _____ or House Bill No. 5336 (request
18 no. 00711'91).

19 (f) Senate Bill No. _____ or House Bill No. 5337 (request
20 no. 00712'91).

21 (g) Senate Bill No. _____ or House Bill No. 5333 (request
22 no. 00713'91).

23 (h) Senate Bill No. _____ or House Bill No. 5331 (request
24 no. 00714'91).

25 (i) Senate Bill No. _____ or House Bill No. 5332 (request
26 no. 00715'91).