



**House
Legislative
Analysis
Section**

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INSURERS: REMOVE ANTITRUST EXEMPTIONS

House Bills 4487-4489
House Bills 4491-4496
Committee: Insurance

RECEIVED

House Bill 4490
Committee: Consumers

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Mich. State Law Library

Sponsor: Rep. Pat Gagliardi

Complete to 4-17-89

A SUMMARY OF HOUSE BILLS 4487-4496 AS INTRODUCED 3-21-89

House Bill 4490 would amend the Michigan Antitrust Reform Act to remove the exemptions in the act for commercial insurance companies, Blue Cross and Blue Shield of Michigan, and health maintenance organizations (HMOs). (However, the act would continue to exempt transactions and conduct permitted by the insurance commissioner and aimed at reducing the cost of health care.) The remaining bills, generally speaking, would amend the Insurance Code so that a rating organization could no longer file rates on behalf of an insurance company and so that insurance companies and rating organizations could no longer exchange information and experience data or consult with one another about rate making and the application of rating systems. (Insurers and rating organizations would, however, be allowed to exchange historical loss data.) The bills are all tie-barred to one another.

House Bill 4491 would amend the statement of purpose at the beginning of Chapter 24 of the Insurance Code so that the chapter would no longer "authorize and regulate cooperative action among insurers in rate making and in other matters," and to delete a provision that says the chapter does not intend "to prohibit, or encourage . . . uniformity in insurance rates." The bill would also specify that antitrust penalties in the chapter "are not inclusive remedies and violators may be subject to any other penalty provisions provided by law."

House Bill 4492 would repeal the code's exemption of activities it regulates from the state antitrust law, and would remove the authorization of "cooperation among rating organizations or among rating organizations and insurers in rate making and other matters."

The other bills would each remove language in the code either allowing the exchange of information or allowing a rating organization to file rates on behalf of an insurer.

Each of the bills is tie-barred to all of the other bills in the package.

MCL 500.2664 (House Bill 4487)
MCL 500.2406 (House Bill 4488)
MCL 500.2430 (House Bill 4489)
MCL 445.774 (House Bill 4490)
MCL 500.2400 (House Bill 4491)
MCL 500.2108 (House Bill 4492)
MCL 500.2472 (House Bill 4493)
MCL 500.2606 (House Bill 4494)
MCL 500.2628 (House Bill 4495)
MCL 500.2608 (House Bill 4496)

House Bills 4487-4496 (4-17-89)