

SENATE BILL No. 274

April 5, 1989, Introduced by Senator FAUST and referred
to the Committee on Commrce and Technology.

A bill to amend section 2472 of Act No. 218 of the Public
Acts of 1956, entitled as amended

"The insurance code of 1956,"

being section 500.2472 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 2472 of Act No. 218 of the Public Acts
2 of 1956, being section 500.2472 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 2472. (1) The commissioner shall promulgate reasonable
5 rules and statistical plans, reasonably adapted to each of the
6 rating systems on file with him OR HER, which may be modified
7 from time to time and which shall be used thereafter to the
8 extent applicable to its particular rating system or systems, by
9 each insurer in the recording and reporting of its loss and
10 countrywide expense experience, in order that the experience of

1 all insurers may be made available at least annually in ~~such~~ A
2 form and detail as may be necessary to aid ~~him~~ THE COMMISSIONER
3 in determining whether rating systems comply with the standards
4 set forth in section 2403. ~~Such~~ THE rules and plans may also
5 provide for the recording and reporting of expense experience
6 items which are specially applicable to this state and are not
7 susceptible of determination by a prorating of countrywide
8 expense experience. In promulgating ~~such~~ rules and plans, the
9 commissioner shall give due consideration to the rating systems
10 on file with him OR HER and, in order that ~~such~~ THE rules and
11 plans may be as uniform as is practicable among the several
12 states, to the rules and to the form of the plans used for ~~such~~
13 rating systems in other states. ~~No~~ AN insurer shall NOT be
14 required to record or report its loss experience on a classifica-
15 tion basis that is inconsistent with the rating system filed by
16 it. ~~and no~~ AN insurer shall NOT be required to record or
17 report its loss or expense experience on any basis or statistical
18 plan that differs from that which is regularly employed and main-
19 tained in the usual course of ~~such~~ THE insurer's business, or
20 to any rating organization or agency of which it is not a member
21 or subscriber. The commissioner may designate 1 or more rating
22 organizations or other agencies to assist him OR HER in gathering
23 such experience and making compilations thereof, and ~~such~~ THE
24 compilations shall be made available TO INSURERS, subject to rea-
25 sonable rules promulgated by the commissioner, to insurers and
26 rating organizations.

1 (2) Reasonable rules and plans may be promulgated by the
2 commissioner for the interchange of data necessary for the
3 application of rating plans.

4 (3) In order to further uniform administration of rate regu-
5 latory laws, the commissioner ~~and every insurer and rating~~
6 ~~organization~~ may exchange information and experience data with
7 insurance supervisory officials ~~—~~ AND insurers ~~and rating~~
8 ~~organizations~~ in other states and may consult with them with
9 respect to ~~rate making and~~ the application of rating systems.
10 IN ADDITION, EVERY INSURER AND EVERY RATING ORGANIZATION MAY
11 EXCHANGE HISTORICAL LOSS DATA.

12 Section 2. This amendatory act shall not take effect unless
13 all of the following bills of the 85th Legislature are enacted
14 into law:

15 (a) Senate Bill No. 269.

16

17 (b) Senate Bill No. 270.

18

19 (c) Senate Bill No. 271.

20

21 (d) Senate Bill No. 272.

22

23 (e) Senate Bill No. 273.

24

25 (f) Senate Bill No. 275.

26

1 (g) Senate Bill No. 276.

2

3 (h) Senate Bill No. 277.

4

5 (i) Senate Bill No. 268.

6