



**House  
Legislative  
Analysis  
Section**

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**REMOVE ANTITRUST EXEMPTIONS**

**House Bills 5331-5340**  
**Sponsor: Rep. Pat Gagliardi**  
**Committee: Insurance**

**Complete to 12-3-91**

**A SUMMARY OF HOUSE BILLS 5331-5340 AS INTRODUCED 11-20-91**

The Michigan Antitrust Reform Act contains an exemption for a transaction or conduct that is the "subject of a legislatively mandated pervasive regulatory scheme, including but not limited to, the insurance code . . . , which confers exclusive jurisdiction on a regulatory board or officer to authorize, prohibit, or regulate the transaction or conduct." House Bill 5338 would remove that exemption from the antitrust act. The other bills would amend the Insurance Code to make complementary amendments. In general, they would prohibit an insurance company from:

- \* Having any rates filed on its behalf by a rating organization.
- \* Sharing information with any other insurer or rating organization concerning the establishment of rates or rating systems.
- \* Agreeing with any other insurer or rating organization to adhere to or use any rate, rating plan, rating schedule, rating rule, or underwriting rule.
- \* Making available to any other insurer or rating organization actuarial projections, trending factors, profits, or expenses except loss adjustment expenses.

Insurers and rating organizations would be permitted to exchange historical loss data.

House Bill 5338 would, however, permit an antitrust exemption for a transaction or conduct of an authorized health maintenance organization, a health insurance company, Delta Dental Corporation, and Blue Cross and Blue Shield of Michigan, if the transaction or conduct "is the subject of a legislatively mandated pervasive regulatory scheme including a transaction or conduct to reduce the cost of health care that is permitted by the commissioner."

House Bill 5339 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 the antitrust provisions in the chapter were not exclusive and other provisions of law could apply. Further, the bill would require the insurance commissioner to report to the legislature by January 1, 1996, as to whether insurer competitiveness in the marketplace has increased or decreased as a result of the provisions

House Bills 5331-5340 (12-3-91)

of the bill and the effect the increase or decrease in competitiveness has had on insurance rates.

House Bill 5336 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."

MCL 500.2628 (House Bill 5331)  
MCL 500.2608 (House Bill 5332)  
MCL 500.2606 (House Bill 5333)  
MCL 500.2430 (House Bill 5334)  
MCL 500.2406 (House Bill 5335)  
MCL 500.2108 (House Bill 5336)  
MCL 500.2472 (House Bill 5337)  
MCL 445.774 (House Bill 5338)  
MCL 500.2400 (House Bill 5339)  
MCL 500.2664 (House Bill 5340)