

HOUSE BILL No. 5335

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

A bill to amend section 2406 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended by Act No. 7 of the Public Acts of 1982, being section 500.2406 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 2406 of Act No. 218 of the Public Acts
2 of 1956, as amended by Act No. 7 of the Public Acts of 1982,
3 being section 500.2406 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 2406. (1) Except ~~in regard to~~ FOR worker's compensa-
6 tion insurance, ~~every~~ EACH insurer shall file with the commis-
7 sioner every manual of classification, every manual of rules and
8 rates, every rating plan, and every modification of any of the
9 foregoing ~~which~~ THAT it proposes to use. Every ~~such~~ filing

1 shall state the proposed effective date ~~thereof~~ OF THE FILING,
 2 and shall indicate the character and extent of the coverage
 3 contemplated. ~~When~~ IF a filing is not accompanied by the
 4 information upon which the insurer supports ~~such~~ THE filing,
 5 and the commissioner does not have sufficient information to
 6 determine whether ~~such~~ THE filing meets the requirements of
 7 this chapter, the commissioner shall within 10 days of ~~such~~ THE
 8 filing give written notice to ~~such~~ THE insurer to furnish the
 9 information upon which it supports ~~such~~ THE filing. The infor-
 10 mation furnished in support of a filing may include ~~(a)~~ the
 11 experience or judgment of the insurer ~~or rating organization~~
 12 making the filing, ~~(b)~~ its interpretation of any statistical
 13 data it relies upon, ~~(c)~~ the experience of other insurers, ~~or~~
 14 ~~rating organizations,~~ or ~~(d)~~ any other relevant factors. A
 15 filing and any supporting information shall be open to public
 16 inspection after the filing becomes effective.

17 (2) Except ~~in regard to~~ FOR worker's compensation insur-
 18 ance AND FOR FILINGS CONCERNING RATES, an insurer may satisfy its
 19 obligation to make ~~such~~ filings by becoming a member of, or a
 20 subscriber to, a licensed rating organization ~~which~~ THAT makes
 21 ~~such~~ filings, and by filing with the commissioner a copy of its
 22 authorization of the rating organization to make ~~such~~ filings
 23 on its behalf. Nothing contained in this chapter shall be con-
 24 strued as requiring any insurer to become a member of or a sub-
 25 scriber to any rating organization.

26 (3) ~~Every~~ EACH insurer ~~with regard to~~ OF worker's
 27 compensation insurance in this state shall file with the

1 commissioner all rates and rating systems. ~~Every insurer that~~
2 ~~insures worker's compensation in this state on the effective date~~
3 ~~of this subsection shall file the rates not later than the effec-~~
4 ~~tive date of this subsection.~~

5 (4) Except as provided in subsection (3), the rates and
6 rating systems ~~regarding~~ FOR worker's compensation insurance
7 shall be filed not later than the date the rates and rating sys-
8 tems are to be effective. These filings shall be considered to
9 meet the requirements of this chapter unless and until the com-
10 missioner disapproves a filing pursuant to section 2418.

11 (5) Each filing under subsections (3) and (4) shall be
12 accompanied by a certification by the insurer that, to the best
13 of its information and belief, the filing conforms to the
14 requirements of this chapter.

15 (6) AS A CONDITION OF MAINTAINING ITS CERTIFICATE OF AUTHOR-
16 ITY, AN INSURER SHALL NOT DO ANY OF THE FOLLOWING:

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

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

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

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

1 Section 2. 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. 5334 (request
7 no. 00708'91).

8 (c) Senate Bill No. _____ or House Bill No. 5338 (request
9 no. 00709'91).

10 (d) Senate Bill No. _____ or House Bill No. 5339 (request
11 no. 00710'91).

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

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).