

HOUSE BILL No. 5337

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

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 ~~—which—~~ OR HER, THAT may be
7 modified from time to time and ~~—which—~~ THAT shall be used there-
8 after to the extent applicable to its particular rating system or
9 systems, by each insurer in the recording and reporting of its
10 loss and countrywide expense experience, in order that the

1 experience of all insurers may be made available at least
2 annually in ~~such~~ A form and detail as may be necessary to aid
3 ~~him~~ THE COMMISSIONER in determining whether rating systems
4 comply with the standards set forth in section 2403. ~~Such~~ THE
5 rules and plans may also provide for the recording and reporting
6 of expense experience items ~~which~~ THAT are specially applicable
7 to this state and are not susceptible of determination by a pro-
8 rating of countrywide expense experience. In promulgating ~~such~~
9 rules and plans, the commissioner shall give due consideration to
10 the rating systems on file with him OR HER and, in order that
11 ~~such~~ THE rules and plans may be as uniform as is practicable
12 among the several states, to the rules and to the form of the
13 plans used for ~~such~~ rating systems in other states. ~~No~~ AN
14 insurer shall NOT be required to record or report its loss
15 experience on a classification basis that is inconsistent with
16 the rating system filed by it. ~~and no~~ AN insurer shall NOT be
17 required to record or report its loss or expense experience on
18 any basis or statistical plan that differs from that which is
19 regularly employed and maintained in the usual course of ~~such~~
20 THE insurer's business, or to any rating organization or agency
21 of which it is not a member or subscriber. The commissioner may
22 designate 1 or more rating organizations or other agencies to
23 assist him OR HER in gathering AND COMPILING such experience ~~and~~
24 ~~making compilations thereof,~~ and ~~such~~ THE compilations shall
25 be made available, subject to reasonable rules promulgated by the
26 commissioner, to insurers and 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~~ EACH insurer ~~and~~
6 ~~rating organization~~ may exchange information and experience data
7 with insurance supervisory officials ~~, 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, EACH INSURER AND EACH 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 86th Legislature are enacted
14 into law:

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

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

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

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

23 (e) Senate Bill No. _____ or House Bill No. 5339 (request
24 no. 00710'91).

25 (f) Senate Bill No. _____ or House Bill No. 5336 (request
26 no. 00711'91).

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

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

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