



# HOUSE BILL No. 4398

March 2, 1993, Introduced by Reps. Bennane, DeMars, Jondahl, Rivers, Anthony and Brown and referred to the Committee on Insurance.

A bill to amend section 2027 of Act No. 218 of the Public Acts of 1956, entitled as amended "The insurance code of 1956," being section 500.2027 of the Michigan Compiled Laws.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1 Section 1. Section 2027 of Act No. 218 of the Public Acts  
2 of 1956, being section 500.2027 of the Michigan Compiled Laws, is  
3 amended to read as follows:

4 Sec. 2027. Unfair methods of competition and unfair or  
5 deceptive acts or practices in the business of insurance include  
6 ALL OF THE FOLLOWING:

7 (a) Refusing to insure, ~~or~~ refusing to continue to insure,  
8 or limiting the amount of coverage available to an individual or  
9 risk because of any of the following:

1 (i) Race, color, creed, marital status, sex, or national  
2 origin, except that marital status may be used to classify  
3 individuals or risks for the purpose of insuring family units.

4 (ii) The residence, age, handicap, or lawful occupation of  
5 the individual or the location of the risk, unless there is a  
6 reasonable relationship between the residence, age, handicap, or  
7 lawful occupation of the individual or the location of the risk  
8 and the extent of the risk or the coverage issued or to be  
9 issued, ~~but~~ subject to subparagraph ~~(iii)~~ (iv). This  
10 ~~section shall~~ SUBPARAGRAPH DOES not prohibit an insurer from  
11 specializing in or limiting its transactions of insurance to cer-  
12 tain occupational groups, types, or risks as approved by the  
13 commissioner. ~~of insurance.~~ The commissioner shall approve the  
14 specialization for an insurer licensed to do business in this  
15 state and whose articles of incorporation contained a provision  
16 on July 1, 1976, requiring that specialization.

17 (iii) BECAUSE THE INSURED OR APPLICANT FOR INSURANCE  
18 DECLINED TO SUBMIT TO GENETIC TESTING OR BECAUSE OF THE RESULTS  
19 OF GENETIC TESTING. AS USED IN THIS SUBPARAGRAPH, "GENETIC  
20 TESTING" MEANS A TEST OF A PERSON'S GENES, GENE PRODUCTS, OR  
21 CHROMOSOMES FOR ABNORMALITIES OR DEFICIENCIES, INCLUDING CARRIER  
22 STATUS, THAT ARE LINKED TO A PHYSICAL OR MENTAL DISORDER OR  
23 IMPAIRMENT, OR THAT INDICATE A SUSCEPTIBILITY TO AN ILLNESS, DIS-  
24 EASE, IMPAIRMENT, OR OTHER DISORDER, WHETHER PHYSICAL OR MENTAL,  
25 OR THAT DEMONSTRATE GENETIC OR CHROMOSOMAL DAMAGE DUE TO AN ENVI-  
26 RONMENTAL FACTOR.

1 (iv) ~~(iii)~~ For property insurance, the location of the  
2 risk, unless there is a statistically significant relationship  
3 between the location of the risk and a risk of loss due to fire  
4 within the area in which the insured property is located. As  
5 used in this subparagraph, "area" means a single zip code number  
6 under the zoning improvement plan of the United States postal  
7 service.

8 (b) Refusing to insure or refusing to continue to insure an  
9 individual or risk solely because the insured or applicant was  
10 previously denied insurance coverage by an insurer.

11 (c) Charging a different rate for the same coverage based on  
12 sex, marital status, age, residence, location of risk, handicap,  
13 or lawful occupation of the risk unless the rate differential is  
14 based on sound actuarial principles ~~—~~ AND a reasonable classi-  
15 fication system, and is related to the actual and credible loss  
16 statistics or reasonably anticipated experience in the case of  
17 new coverages. This subdivision ~~shall~~ DOES not apply if the  
18 rate has previously been approved by the commissioner.