



# HOUSE BILL No. 5989

December 7 1994 Introduced by Reps Saunders Yokich Anthony DeMars Baade,  
Parks and Murphy and referred to the Committee on Insurance

A bill to amend section 202 of Act No 218 of the Public  
Acts of 1956, entitled as amended

The insurance code of 1956,  
being section 500 202 of the Michigan Compiled Laws and to add  
sections 2106a, 2106b, 2106c, and 2115a

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Section 202 of Act No 218 of the Public Acts of  
2 1956, being section 500 202 of the Michigan Compiled Laws, is  
3 amended and sections 2106a 2106b 2106c and 2115a are added to  
4 read as follows

5 Sec 202 (1) The chief officer of the ~~department~~  
6 INSURANCE BUREAU shall be known as the commissioner of  
7 insurance He OR SHE shall ~~be~~ MEET ALL OF THE FOLLOWING  
8 REQUIREMENTS

1 (A) BE a citizen of this state ~~shall have his~~

2 (B) HOLD office at the seat of government ~~shall~~  
3 ~~personally~~

4 (C) PERSONALLY superintend the duties of his OR HER office  
5 ~~, and shall not~~

6 (D) NOT be a stockholder or directly or indirectly connected  
7 with the management of affairs of any insurer ~~He~~ HEALTH CARE  
8 CORPORATION OR HEALTH MAINTENANCE ORGANIZATION DURING THE PERIOD  
9 IN OFFICE AND ENDING 2 YEARS AFTER HE OR SHE LEAVES OFFICE

10 (2) THE INSURANCE COMMISSIONER shall be appointed by the  
11 governor for a term of 4 years by and with the ADVICE AND consent  
12 of the senate

13 (3) ~~(2)~~ Whenever a vacancy occurs in the office of  
14 commissioner ~~by reason of death, removal, or otherwise~~ the  
15 governor shall fill ~~such~~ THE vacancy by appointment, by and  
16 with the advice and consent of the senate if in session

17 SEC 2106A THE COMMISSIONER SHALL DEVELOP BEFORE JULY 1  
18 1995 A STANDARD RATE FILING FORM FOR PRIVATE PASSENGER NONFLEET  
19 AUTOMOBILE INSURANCE GROUP AUTOMOBILE INSURANCE, AND FLEET AUTO-  
20 MOBILE INSURANCE ON AND AFTER OCTOBER 1 1995 EACH AUTOMOBILE  
21 INSURER SHALL USE THE STANDARD RATE FILING FORM WHEN FILING A  
22 RATE WITH THE COMMISSIONER FOR PRIVATE PASSENGER NONFLEET AUTOMO-  
23 BILE INSURANCE, GROUP AUTOMOBILE INSURANCE, AND FLEET AUTOMOBILE  
24 INSURANCE

25 SEC 2106B (1) THE COMMISSIONER SHALL DEVELOP BEFORE  
26 JULY 1 1995 A STANDARD APPLICATION FORM FOR PRIVATE PASSENGER  
27 NONFLEET AUTOMOBILE INSURANCE ON AND AFTER OCTOBER 1 1995

1 EACH AUTOMOBILE INSURER SHALL USE THE STANDARD APPLICATION FORM  
2 FOR PRIVATE PASSENGER NONFLEET AUTOMOBILE INSURANCE

3 (2) THE STANDARD APPLICATION FORM SHALL INCLUDE WHAT COVER-  
4 AGES ARE MANDATORY AND WHAT ARE NOT AND SHALL INCLUDE WHETHER THE  
5 INSURER OFFERS UNINSURED AND UNDERINSURED MOTORIST'S COVERAGE

6 (3) AN ELECTRONICALLY OR ELECTROMAGNETICALLY TRANSMITTED  
7 FACSIMILE OF THE STANDARD AUTOMOBILE INSURANCE APPLICATION FORM  
8 MAY BE USED BY AN APPLICANT A SIGNED ELECTRONICALLY OR ELECTRO-  
9 MAGNETICALLY TRANSMITTED FACSIMILE OF THE STANDARD AUTOMOBILE  
10 INSURANCE APPLICATION FORM SHALL BE TREATED THE SAME AS AN ORIGI-  
11 NAL SIGNED STANDARD AUTOMOBILE INSURANCE APPLICATION FORM

12 SEC 2106C (1) THE COMMISSIONER SHALL DEVELOP BEFORE  
13 JULY 1, 1995 A MODEL DECLARATIONS PAGE FOR PRIVATE PASSENGER NON-  
14 FLEET AUTOMOBILE INSURANCE, GROUP AUTOMOBILE INSURANCE AND FLEET  
15 AUTOMOBILE INSURANCE ON AND AFTER OCTOBER 1, 1995, EACH AUTOMO-  
16 BILE INSURER SHALL USE A DECLARATIONS PAGE SUBSTANTIALLY SIMILAR  
17 TO THE MODEL DECLARATIONS PAGE DEVELOPED BY THE COMMISSIONER FOR  
18 PRIVATE PASSENGER NONFLEET AUTOMOBILE INSURANCE GROUP AUTOMOBILE  
19 INSURANCE AND FLEET AUTOMOBILE INSURANCE

20 (2) THE COMMISSIONER SHALL PROVIDE THAT THE MODEL DECLARA-  
21 TIONS PAGE CONTAIN AT LEAST THE FOLLOWING NOTICE CONCERNING COM-  
22 PREHENSIVE AND COLLISION COVERAGES

23 WARNING COMPREHENSIVE AND COLLISION COVERAGES  
24 REIMBURSE ONLY FOR THE CURRENT VALUE OF YOUR  
25 MOTOR VEHICLE LESS YOUR DEDUCTIBLE

26 SEC 2115A THE COMMISSIONER SHALL PREPARE SEMIANNUALLY AND  
27 IN AT LEAST 8-POINT TYPE A BUYER S GUIDE TO AUTOMOBILE INSURANCE

1 IN MICHIGAN THE BUYER S GUIDE SHALL COMPARE RATES AMONG A  
2 REASONABLE REPRESENTATION OF AT LEAST 50 AUTOMOBILE INSURERS IN  
3 MICHIGAN IN EACH TERRITORY USED BY THE PRINCIPAL ADVISORY ORGANI-  
4 ZATION FOR STATISTICAL REPORTING PURPOSES THE COMMISSIONER  
5 SHALL PROVIDE COPIES OF THE BUYER'S GUIDE TO THE GOVERNOR, TO  
6 EACH MEMBER OF THE LEGISLATURE AND TO SECRETARY OF STATE BRANCH  
7 OFFICES FOR DISTRIBUTION TO THE PUBLIC THE SECRETARY OF STATE  
8 SHALL MAIL WITH EACH NOTICE OF LICENSE PLATE RENEWAL A NOTICE  
9 THAT A BUYER S GUIDE TO AUTOMOBILE INSURANCE IS AVAILABLE AT EACH  
10 LOCAL SECRETARY OF STATE OFFICE AND FROM THE INSURANCE BUREAU BY  
11 WRITING OR TELEPHONING THE INSURANCE BUREAU