

HOUSE BILL No. 4679

May 13, 1999, Introduced by Reps. Basham, Brater, Stallworth, Hale, Reeves, Rivet, Hardman, Schermesser, DeHart and Lemmons and referred to the Committee on Insurance and Financial Services.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding chapter 3.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 3

OFFICE OF PUBLIC INSURANCE COUNSEL

SEC. 301. (1) THE INDEPENDENT OFFICE OF PUBLIC INSURANCE
COUNSEL IS CREATED WITHIN THE INSURANCE BUREAU.

(2) THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE SENATE
SHALL APPOINT A PUBLIC COUNSEL FOR A TERM OF 4 YEARS. THE PUBLIC
COUNSEL SHALL SERVE AS EXECUTIVE DIRECTOR OF THE OFFICE OF PUBLIC
INSURANCE COUNSEL.

(3) TO BE ELIGIBLE TO SERVE AS PUBLIC COUNSEL FOR THE OFFICE
OF PUBLIC INSURANCE COUNSEL A PERSON SHALL MEET ALL OF THE
FOLLOWING REQUIREMENTS:

(A) BE A RESIDENT OF MICHIGAN.

(B) BE ADMITTED TO PRACTICE LAW IN MICHIGAN.

(C) DEMONSTRATE A STRONG COMMITMENT AND INVOLVEMENT IN
EFFORTS TO SAFEGUARD PUBLIC RIGHTS.

(D) POSSESS THE KNOWLEDGE AND EXPERIENCE NECESSARY TO PRAC-
TICE EFFECTIVELY IN INSURANCE PROCEEDINGS.

SEC. 303. THE OFFICE OF PUBLIC INSURANCE COUNSEL MAY ASSESS
THE IMPACT OF INSURANCE RATES, RULES, AND FORMS ON INSURANCE CON-
SUMERS IN MICHIGAN AND, IN ITS OWN NAME, SHALL ACT AS AN ADVOCATE
OF POSITIONS THAT ARE MOST ADVANTAGEOUS TO A SUBSTANTIAL NUMBER
OF INSURANCE CONSUMERS AS DETERMINED BY THE PUBLIC COUNSEL FOR
THE OFFICE.

SEC. 305. THE OFFICE OF PUBLIC INSURANCE COUNSEL MAY ACCESS
ANY RECORDS THAT ARE AVAILABLE TO ANY PARTY IN A PROCEEDING
BEFORE THE COMMISSIONER AND IS ENTITLED TO DISCOVERY OF ANY NON-
PRIVILEGED MATTER THAT IS RELEVANT TO THE SUBJECT MATTER INVOLVED
IN ANY PROCEEDING OR SUBMISSION BEFORE THE COMMISSIONER.

SEC. 307. (1) THE PUBLIC COUNSEL SHALL DO ALL OF THE
FOLLOWING:

(A) ADMINISTER, ENFORCE, AND CARRY OUT ALL DUTIES UNDER THIS
CHAPTER.

(B) PREPARE AND SUBMIT TO THE LEGISLATURE A BUDGET FOR THE
OFFICE OF PUBLIC INSURANCE COUNSEL.

(C) EMPLOY PROFESSIONAL, TECHNICAL, AND OTHER EMPLOYEES AS
ARE NECESSARY TO CARRY OUT THIS CHAPTER.

(D) SUBMIT TO THE COMMISSIONER FOR ADOPTION A CONSUMER BILL
OF RIGHTS APPROPRIATE TO EACH PERSONAL LINE OF INSURANCE

1 REGULATED BY THE COMMISSIONER TO BE DISTRIBUTED BY INSURERS UPON
2 THE ISSUANCE OF A POLICY TO EACH POLICYHOLDER UNDER RULES ADOPTED
3 BY THE COMMISSIONER.

4 (2) THE PUBLIC COUNSEL SHALL NOT INTERVENE IN HEARINGS
5 BEFORE THE COMMISSIONER THAT RELATE TO APPROVAL OR CONSIDERATION
6 OF INDIVIDUAL CHARTERS, LICENSES, ACQUISITIONS, MERGERS, OR EXAM-
7 INATIONS, PROCEEDINGS CONCERNING THE SOLVENCY OF INDIVIDUAL
8 INSURERS AFTER A RECEIVER IS APPOINTED, OR OTHER MATTERS AFFECT-
9 ING INDIVIDUAL INSURER OR AGENT LICENSES.

10 SEC. 309. THE PUBLIC COUNSEL MAY DO ANY OF THE FOLLOWING:

11 (A) APPEAR OR INTERVENE AS A MATTER OF RIGHT BEFORE THE COM-
12 MISSIONER AS A PARTY OR OTHERWISE ON BEHALF OF INSURANCE CONSUM-
13 ERS AS A CLASS IN ANY OF THE FOLLOWING:

14 (i) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING
15 PROPERTY AND CASUALTY INSURANCE.

16 (ii) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING
17 TITLE INSURANCE.

18 (iii) MATTERS INVOLVING RULES AFFECTING LIFE, HEALTH, AND
19 ACCIDENT INSURANCE.

20 (iv) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING
21 CREDIT LIFE AND CREDIT ACCIDENT AND HEALTH INSURANCE.

22 (v) MATTERS INVOLVING RATES, RULES, AND FORMS AFFECTING ALL
23 OTHER LINES OF INSURANCE FOR WHICH THE COMMISSIONER PROMULGATES,
24 SETS, OR APPROVES RATES, RULES, OR FORMS.

25 (vi) MATTERS INVOLVING WITHDRAWAL OF APPROVAL OF POLICY
26 FORMS IF THE PUBLIC COUNSEL DETERMINES THAT SUCH FORMS DO NOT

1 COMPLY WITH THIS ACT, A VALID RULE, OR IS OTHERWISE CONTRARY TO
2 LAW.

3 (B) INITIATE OR INTERVENE AS A MATTER OF RIGHT OR OTHERWISE
4 APPEAR IN A JUDICIAL PROCEEDING INVOLVING OR ARISING OUT OF ANY
5 ACTION TAKEN BY AN ADMINISTRATIVE AGENCY IN A PROCEEDING IN WHICH
6 THE PUBLIC COUNSEL APPEARED UNDER THE AUTHORITY GRANTED BY THIS
7 CHAPTER.

8 (C) RECOMMEND LEGISLATION TO THE LEGISLATURE THAT, IN THE
9 JUDGMENT OF THE PUBLIC COUNSEL, WOULD AFFECT POSITIVELY THE
10 INTERESTS OF INSURANCE CONSUMERS.

11 (D) APPEAR OR INTERVENE AS A MATTER OF RIGHT AS A PARTY OR
12 OTHERWISE ON BEHALF OF INSURANCE CONSUMERS AS A CLASS IN ALL PRO-
13 CEEDINGS IN WHICH THE PUBLIC COUNSEL DETERMINES THAT INSURANCE
14 CONSUMERS NEED REPRESENTATION, EXCEPT THAT THE PUBLIC COUNSEL MAY
15 NOT INTERVENE IN ANY ENFORCEMENT PROCEEDING BROUGHT BY THE ATTOR-
16 NEY GENERAL.

17 SEC. 311. THE PUBLIC COUNSEL SHALL NOT, FOR A PERIOD OF 2
18 YEARS AFTER THE DATE HE OR SHE CEASES TO BE PUBLIC COUNSEL, REP-
19 RESENT ANY PERSON OR RECEIVE COMPENSATION FOR SERVICES RENDERED
20 ON BEHALF OF ANY PERSON IN A PROCEEDING BEFORE THE COMMISSIONER.