



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

INSURANCE: PROHIBIT USE OF CREDIT RATING IN PREMIUM DISCOUNT PLANS

House Bill 5882

Sponsor: Rep. David Woodward

**Committee: Insurance and Financial
Services**

Complete to 5-24-02

A SUMMARY OF HOUSE BILL 5882 AS INTRODUCED 4-11-02

Under the Insurance Code, an auto or home insurer is permitted to establish and maintain a premium discount plan if the plan is uniformly applied to all its customers, and if the factors used in setting rates reflect reasonably anticipated reductions in losses or expenses. The bill would amend the code to prohibit an insurer from establishing or maintaining premium discount plan based in whole or in part upon an applicant's or insured's credit history or lack of credit history.

MCL 500.2110a

House Bill 5882 (5-24-02)

Analyst: D. Martens

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.