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SFA**BILL ANALYSIS**

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House Bill 6327 (Substitute S-1 as reported)
Sponsor: Representative Clark Bisbee
House Committee: Insurance and Financial Services
Senate Committee: Financial Services

CONTENT

The bill would amend the Insurance Code to remove a requirement that the Commissioner of the Office of Financial and Insurance Services (OFIS) issue annual reports detailing the state of competition in the workers' compensation insurance market and in the commercial liability insurance market, and instead require the Commissioner to make an annual determination of whether competition existed in those markets.

Currently, the Commissioner must issue an annual report detailing the state of competition in the workers' compensation insurance market and the commercial liability insurance market on a statewide basis, and delineating specific classification, kinds or types of insurance, if any, where competition does not exist. For each market, the Commissioner must issue tentative and final reports by specific deadlines. The bill, instead, would require the Commissioner, by May 15 each year to determine whether a reasonable degree of competition existed in those markets, on a statewide basis. If the Commissioner determined that a reasonable degree of competition did not exist in either market, he or she would have to issue a report as prescribed in the Act. If the results of a report were disputed, or if the Commissioner determined that circumstances on which a report was based had changed, the Commissioner would have to issue a supplemental report to the original report, by November 15 following release of the original report. As with the final report currently required, the supplemental report would have to be supported by substantial evidence.

The bill also would remove statements that an insurer may not be considered to control the workers' compensation insurance market or the commercial liability insurance market unless it has more than a 15% market share.

MCL 500.2409 et al.

Legislative Analyst: George Towne

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 12-9-02

Fiscal Analyst: Maria Tyszkiewicz