

HOUSE BILL No. 5158

September 13, 2005, Introduced by Reps. Condino, Bieda, Lipsey, Tobocman, Clemente, Alma Smith, Dillon, Polidori, Wojno, Zelenko, Accavitti, Gillard, Ball, Kolb, Donigan, Vagnozzi, Plakas, Kathleen Law and Leland and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 2476a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2476A. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
2 ACT, AN INSURER ISSUING PROFESSIONAL LIABILITY INSURANCE SHALL NOT
3 TERMINATE OR REFUSE TO RENEW OR CONTINUE A POLICY FOR PROFESSIONAL
4 LIABILITY INSURANCE UNLESS WRITTEN NOTICE IS FURNISHED TO THE
5 INSURED NOT LESS THAN 90 DAYS PRIOR TO THE EFFECTIVE DATE OF
6 TERMINATION. THE NOTICE OF TERMINATION SHALL INCLUDE ALL OF THE
7 FOLLOWING:

8 (A) A CLEAR AND CONCISE EXPLANATION OF THE REASON FOR THE
9 TERMINATION, NONRENEWAL, OR NONCONTINUATION.

1 (B) IF THE TERMINATION, NONRENEWAL, OR NONCONTINUATION IS
2 BASED UPON CONCERNS RELATED TO QUALITY OR CLAIMS INCURRED UNDER THE
3 POLICY, THE INSURER SHALL DESCRIBE, WITH SPECIFICITY, THE
4 INFORMATION UPON WHICH THE DECISION IS BASED.

5 (2) A PROFESSIONAL LIABILITY INSURANCE POLICY SHALL NOT BE
6 TERMINATED WITHOUT CAUSE.

7 (3) SUBSECTIONS (1) AND (2) DO NOT APPLY WHERE TERMINATION,
8 NONRENEWAL, OR NONCONTINUATION IS BASED UPON FRAUD, INTENTIONAL
9 MISREPRESENTATION, NONPAYMENT OF PREMIUM, OR LOSS OF APPLICABLE
10 LICENSURE.