

HOUSE BILL No. 5627

December 1, 2009, Introduced by Reps. Roberts, Liss, Haugh, Slavens, Segal, Switalski, Geiss, Constan, Tlaib, Lemmons, Huckleberry, Robert Jones, Durhal, Cushingberry, Womack, Young, Nathan, Lisa Brown, Stanley, Gonzales, Leland and Lipton and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 2106, 2108, 2109, 2110, 2114, 2115, and 2127 (MCL 500.2106, 500.2108, 500.2109, 500.2110, 500.2114, 500.2115, and 500.2127), section 2115 as amended by 1980 PA 461, and by adding sections 2103a, 2106a, 2107a, 2109a, 2109b, and 2128; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

SEC. 2103A. AS USED IN THIS CHAPTER:

(A) "GROUP AUTOMOBILE INSURANCE" MEANS AUTOMOBILE INSURANCE WRITTEN ON A GROUP, FRANCHISE, BLANKET POLICY, OR SIMILAR BASIS COVERING ELIGIBLE EMPLOYEES OR MEMBERS, WITH OR WITHOUT THEIR ELIGIBLE DEPENDENTS, OF A GOVERNMENTAL CORPORATION, UNIT, AGENCY, OR DEPARTMENT, OR TO A CORPORATION, PARTNERSHIP, INDIVIDUAL EMPLOYER, OR AN ASSOCIATION.

1 (B) "TOTAL RETURN RATING" MEANS THE CONSIDERATION OF TOTAL
2 REVENUE AND AVAILABLE ASSETS OF THE INSURER, INCLUDING, BUT NOT
3 LIMITED TO, INVESTMENT INCOME, CAPITAL AND SURPLUS, UNDERWRITING
4 AND OPERATING PROFITS, PREMIUM REVENUE, AND ALL OTHER RESERVES.

5 Sec. 2105. (1) ~~No~~**A** policy of automobile insurance or home
6 insurance shall **NOT** be offered, bound, made, issued, delivered, or
7 renewed in this state on and after January 1, 1981, except in
8 conformity with this chapter. This chapter ~~shall~~**DOES** not apply to
9 policies of automobile insurance or home insurance offered, bound,
10 made, issued, delivered or renewed in this state before January 1,
11 1981.

12 (2) This chapter ~~shall~~**DOES** not apply to insurance written on
13 a group, franchise, ~~blanket policy,~~ or similar basis ~~which~~**THAT**
14 offers home insurance ~~or automobile insurance~~ to all members of the
15 group, franchise plan, or blanket coverage who are eligible
16 persons.

17 Sec. 2106. Except as specifically provided in this chapter,
18 the provisions of chapter 24 and chapter 26 ~~shall~~**DO** not apply to
19 automobile insurance and home insurance. An insurer may use rates
20 for ~~automobile insurance or home insurance~~ as soon as those rates
21 are filed. **AN INSURER SHALL NOT USE RATES FOR AUTOMOBILE INSURANCE**
22 **UNTIL THOSE RATES HAVE BEEN APPROVED BY THE COMMISSIONER.** To the
23 extent that other provisions of this ~~code~~**ACT** are inconsistent with
24 the provisions of this chapter, this chapter ~~shall govern~~**GOVERNS**
25 with respect to automobile insurance and home insurance.

26 **SEC. 2106A. TO BE AUTHORIZED TO WRITE GROUP AUTOMOBILE**
27 **INSURANCE IN THIS STATE, AN INSURER SHALL OFFER THE GROUP COVERAGE**

1 TO EVERY ELIGIBLE PERSON IN THE GROUP IN A UNIFORM MANNER AND SHALL
2 FOLLOW THE RATE-MAKING, UNDERWRITING, AND OTHER APPLICABLE
3 PROVISIONS OF THIS ACT.

4 SEC. 2107A. (1) BY NOT LATER THAN 1 YEAR AFTER THE EFFECTIVE
5 DATE OF THIS SECTION AND ANNUALLY THEREAFTER, EACH INSURER SUBJECT
6 TO THIS CHAPTER SHALL FILE BASE RATES FOR AUTOMOBILE INSURANCE AND
7 SHALL MAKE FILINGS THAT CONFORM TO THIS ACT AS AMENDED BY THE
8 AMENDATORY ACT THAT ADDED THIS SECTION AND THE AMENDATORY ACT THAT
9 ADDED SECTION 2107B.

10 (2) THE COMMISSIONER SHALL REVIEW A FILING SUBMITTED UNDER
11 SUBSECTION (1) AND SHALL APPROVE OR DISAPPROVE THE FILING WITHIN 60
12 DAYS AFTER ITS SUBMISSION.

13 (3) A FILING APPROVED UNDER SUBSECTION (2) SHALL NOT BE
14 REVISED FOR 12 MONTHS AFTER THE EFFECTIVE DATE OF THE FILING UNLESS
15 THE REVISION MEETS EITHER OF THE FOLLOWING:

16 (A) LOWERS THE PRICE OF THE COVERAGE.

17 (B) IS IN RESPONSE TO A RULING OR DECISION BY THE
18 COMMISSIONER, THE COURT, OR A HEARING OFFICER.

19 (4) A RULE CHANGE OR OTHER CHANGE FILED WITH THE COMMISSIONER
20 THAT RESULTS IN A CHANGE IN THE COST OF COVERAGE IS CONSIDERED A
21 REVISION IN A RATE FILING UNDER THIS SECTION.

22 (5) IF A FILING IS DISAPPROVED UNDER SUBSECTION (2), THE
23 INSURER, WITHIN 30 DAYS OF THE ORDER OF DISAPPROVAL, SHALL MAKE A
24 REVISED FILING WITH THE COMMISSIONER. THE REVISED FILING IS SUBJECT
25 TO REVIEW UNDER THIS CHAPTER IN THE SAME MANNER AS AN ORIGINAL
26 FILING MADE UNDER THIS CHAPTER.

27 Sec. 2108. (1) ~~On~~ EXCEPT AS OTHERWISE PROVIDED IN SECTION

1 **2107A, ON** the effective date thereof, each insurer shall file with
2 the commissioner every manual of classification, every manual of
3 rules and rates, every rating plan, and every modification of a
4 manual of classification, manual of rules and rates, or a rating
5 plan ~~which~~**THAT** it proposes to use for automobile insurance and
6 home insurance. Each filing shall state the character and extent of
7 the coverage contemplated. Each insurer subject to this chapter who
8 maintains rates in any part of this state shall at all times
9 maintain rates in effect for all eligible persons meeting the
10 underwriting criteria of the insurer.

11 (2) ~~An~~**EXCEPT FOR FILINGS CONCERNING RATES, AN** insurer may
12 satisfy its obligation to make filings ~~under subsection (1)~~ by
13 becoming a member of, or a subscriber to, a **LICENSED** rating
14 organization ~~licensed under chapter 24 or chapter 26~~ ~~which~~**THAT**
15 makes ~~those~~ filings, and by filing with the commissioner a copy of
16 its authorization of the rating organization to make ~~those~~ filings
17 on its behalf. Nothing contained in this chapter shall be construed
18 as requiring any insurer to become a member of or a subscriber to
19 any rating organization. Insurers may file and use deviations from
20 filings made on their behalf, which deviations ~~shall be~~**ARE** subject
21 to the provisions of this chapter.

22 (3) Each filing shall be accompanied by a certification by or
23 on behalf of the insurer that, to the best of its information and
24 belief, the filing conforms to the requirements of this chapter.

25 (4) Each filing shall include information that supports the
26 filing with respect to the requirements of section 2109 **OR 2109A,**
27 **AS APPLICABLE.** The information may include 1 or more of the

1 following:

2 (a) The experience or judgment of the insurer ~~or rating~~
3 ~~organization~~ making the filing.

4 (b) The interpretation of the insurer ~~or rating organization~~
5 of any statistical data it relies upon.

6 (c) The experience of other insurers. ~~or rating organizations.~~

7 (d) Any other relevant information.

8 (5) A filing and any accompanying information shall be open to
9 public inspection upon filing.

10 (6) An insurer shall not make, issue, or renew a contract or
11 policy except in accordance with filings ~~which~~ **THAT** are in effect
12 for the insurer pursuant to this chapter.

13 Sec. 2109. (1) All rates for ~~automobile insurance and home~~
14 insurance shall be made in accordance with the following
15 provisions:

16 (a) Rates shall not be excessive, inadequate, or unfairly
17 discriminatory. A rate shall not be held to be excessive unless the
18 rate is unreasonably high for the insurance coverage provided and a
19 reasonable degree of competition does not exist for the insurance
20 to which the rate is applicable.

21 (b) A rate shall not be held to be inadequate unless the rate
22 is unreasonably low for the insurance coverage provided and the
23 continued use of the rate endangers the solvency of the insurer; or
24 unless the rate is unreasonably low for the insurance provided and
25 the use of the rate has or will have the effect of destroying
26 competition among insurers, creating a monopoly, or causing a kind
27 of insurance to be unavailable to a significant number of

1 applicants who are in good faith entitled to procure that insurance
2 through ordinary methods.

3 (c) A rate for a coverage is unfairly discriminatory in
4 relation to another rate for the same coverage if the differential
5 between the rates is not reasonably justified by differences in
6 losses, expenses, or both, or by differences in the uncertainty of
7 loss, for the individuals or risks to which the rates apply. A
8 reasonable justification shall be supported by a reasonable
9 classification system; by sound actuarial principles when
10 applicable; and by actual and credible loss and expense statistics
11 or, in the case of new coverages and classifications, by reasonably
12 anticipated loss and expense experience. A rate is not unfairly
13 discriminatory because it reflects differences in expenses for
14 individuals or risks with similar anticipated losses, or because it
15 reflects differences in losses for individuals or risks with
16 similar expenses.

17 (2) A determination concerning the existence of a reasonable
18 degree of competition with respect to subsection (1)(a) shall take
19 into account a reasonable spectrum of relevant economic tests,
20 including the number of insurers actively engaged in writing the
21 insurance in question, the present availability of such insurance
22 compared to its availability in comparable past periods, the
23 underwriting return of that insurance over a period of time
24 sufficient to assure reliability in relation to the risk associated
25 with that insurance, and the difficulty encountered by new insurers
26 in entering the market in order to compete for the writing of that
27 insurance.

1 SEC. 2109A. (1) ALL RATES FOR AUTOMOBILE INSURANCE SHALL BE
2 REVIEWED BY THE COMMISSIONER BY EXAMINING THE INSURER'S REPORT
3 PREPARED PURSUANT TO SECTION 2128 AND ANY INPUT RECEIVED PURSUANT
4 TO A PUBLIC HEARING UNDER SECTION 2107B AND SHALL BE MADE IN
5 ACCORDANCE WITH TOTAL RETURN RATING AND THE FOLLOWING PROVISIONS:

6 (A) RATES SHALL NOT BE EXCESSIVE, INADEQUATE, OR UNFAIRLY
7 DISCRIMINATORY. A RATE SHALL NOT BE APPROVED BY THE COMMISSIONER
8 UNLESS IT IS ACTUARIALLY JUSTIFIED BASED UPON THE INFORMATION
9 RECEIVED PURSUANT TO SECTION 2128. THE COMMISSIONER MAY EXAMINE THE
10 PERCENTAGE OF UNINSURED DRIVERS IN THE STATE IN MAKING A
11 DETERMINATION UNDER THIS SUBDIVISION. THE PERCENTAGE OF UNINSURED
12 DRIVERS MAY BE OBTAINED FROM INFORMATION, INCLUDING, BUT NOT
13 LIMITED TO, STATISTICS AND DATA FROM THE INSURANCE INFORMATION
14 INSTITUTE, THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS, AND
15 LAW ENFORCEMENT AGENCIES.

16 (B) A RATE SHALL NOT BE HELD TO BE INADEQUATE UNLESS THE RATE,
17 AFTER CONSIDERATION OF INVESTMENT INCOME AND SURPLUS, IS
18 UNREASONABLY LOW FOR THE INSURANCE COVERAGE PROVIDED AND IS
19 INSUFFICIENT TO SUSTAIN PROJECTED LOSSES AND EXPENSES; OR UNLESS
20 THE RATE IS UNREASONABLY LOW FOR THE INSURANCE PROVIDED AND THE USE
21 OF THE RATE HAS OR WILL HAVE THE EFFECT OF DESTROYING COMPETITION
22 AMONG INSURERS, CREATING A MONOPOLY, OR CAUSING A KIND OF INSURANCE
23 TO BE UNAVAILABLE TO A SIGNIFICANT NUMBER OF APPLICANTS WHO ARE IN
24 GOOD FAITH ENTITLED TO PROCURE THAT INSURANCE THROUGH ORDINARY
25 METHODS.

26 (C) A RATE FOR A COVERAGE IS UNFAIRLY DISCRIMINATORY IN
27 RELATION TO ANOTHER RATE FOR THE SAME COVERAGE IF THE DIFFERENTIAL

1 BETWEEN THE RATES IS NOT REASONABLY JUSTIFIED BY DIFFERENCES IN
2 LOSSES, EXPENSES, OR BOTH, OR BY DIFFERENCES IN THE UNCERTAINTY OF
3 LOSS, FOR THE INDIVIDUALS OR RISKS TO WHICH THE RATES APPLY. A
4 REASONABLE JUSTIFICATION SHALL BE SUPPORTED BY A REASONABLE
5 CLASSIFICATION SYSTEM; BY SOUND ACTUARIAL PRINCIPLES WHEN
6 APPLICABLE; AND BY ACTUAL AND CREDIBLE LOSS AND EXPENSE STATISTICS
7 OR, IN THE CASE OF NEW COVERAGES AND CLASSIFICATIONS, BY REASONABLY
8 ANTICIPATED LOSS AND EXPENSE EXPERIENCE. A RATE IS NOT UNFAIRLY
9 DISCRIMINATORY BECAUSE IT REFLECTS DIFFERENCES IN EXPENSES FOR
10 INDIVIDUALS OR RISKS WITH SIMILAR ANTICIPATED LOSSES, OR BECAUSE IT
11 REFLECTS DIFFERENCES IN LOSSES FOR INDIVIDUALS OR RISKS WITH
12 SIMILAR EXPENSES.

13 (2) THE COMMISSIONER SHALL NOT APPROVE A RATE INCREASE FOR
14 AUTOMOBILE INSURANCE UNLESS THE COMMISSIONER DETERMINES THAT THE
15 DATA RECEIVED FROM THE REPORT PREPARED PURSUANT TO SECTION 2128
16 JUSTIFIES A RATE INCREASE. THE COMMISSIONER SHALL NOT APPROVE A
17 RATE INCREASE BY EXAMINING ACTUARIAL DATA FROM A LINE OTHER THAN
18 THE INSURER'S AUTOMOBILE INSURANCE LINE OR IF THE INSURER FAILS TO
19 FILE THE DATA REQUIRED BY SECTION 2128. THE COMMISSIONER SHALL NOT
20 APPROVE A RATE INCREASE IF THE COMMISSIONER FINDS THE INSURER'S
21 ADMINISTRATIVE EXPENSES TO BE EXCESSIVE.

22 (3) EACH INSURER SHALL SUBMIT ANNUALLY TO THE COMMISSIONER A
23 COMPLETE BREAKDOWN OF LITIGATION COSTS ASSOCIATED WITH FIRST AND
24 THIRD PARTY AUTOMOBILE INSURANCE CLAIMS THAT HAVE BEEN RECEIVED OR
25 ARE IN THE PROCESS OF BEING LITIGATED AND OF AMOUNTS RESERVED TO BE
26 USED FOR THOSE EXPENSES. THE COMMISSIONER SHALL NOT APPROVE A RATE
27 IF THE ADMINISTRATIVE COSTS ASSOCIATED WITH THE LITIGATION OF FIRST

1 PARTY CLAIMS EXCEED 1% OF THE ADMINISTRATIVE COSTS ASSOCIATED WITH
2 THE LITIGATION OF THIRD PARTY CLAIMS. EACH AUTOMOBILE INSURANCE
3 INSURER'S TOTAL ADMINISTRATIVE EXPENSES SHALL BE ALLOCATED TO EACH
4 TERRITORY ACCORDING TO THE INSURER'S PROPORTIONATE SHARE OF PREMIUM
5 WRITTEN IN EACH TERRITORY. EACH PREMIUM CHARGED WITHIN EACH
6 TERRITORY SHALL CONTAIN AN EQUAL SHARE OF THE ADMINISTRATIVE
7 EXPENSE FOR THE TERRITORY. RATES SHALL BE FILED AND CHARGED UNDER
8 THIS SECTION SO THAT EACH AUTOMOBILE INSURANCE PREMIUM INCLUDES AN
9 EQUAL SHARE OF EACH INSURER'S OVERALL ADMINISTRATIVE EXPENSE.

10 SEC. 2109B. (1) IF THE COMMISSIONER DETERMINES THAT ANY PERSON
11 OR ORGANIZATION HAS VIOLATED THE AUTOMOBILE RATE-MAKING OR
12 UNDERWRITING PROVISIONS OF THIS CHAPTER, THE COMMISSIONER MAY ISSUE
13 A CEASE AND DESIST ORDER AND ORDER THE PERSON OR ORGANIZATION TO
14 PAY A CIVIL FINE OF NOT MORE THAN \$500.00 FOR EACH VIOLATION AND A
15 CIVIL FINE OF NOT MORE THAN \$5,000.00 FOR EACH WILLFUL VIOLATION. A
16 DEFAULT IN THE PAYMENT OF A CIVIL FINE UNDER THIS SECTION MAY BE
17 REMEDIED BY ANY MEANS AUTHORIZED UNDER THE REVISED JUDICATURE ACT
18 OF 1961, 1961 PA 236, MCL 600.101 TO 600.9947.

19 (2) IF THE COMMISSIONER FINDS THAT A VIOLATION OF THE
20 AUTOMOBILE RATE-MAKING OR UNDERWRITING PROVISIONS OF THIS CHAPTER
21 HAS OCCURRED AND THAT THE VIOLATION HAS RESULTED IN AN INCREASE IN
22 AUTOMOBILE INSURANCE PREMIUMS OR A DECREASE IN BENEFITS, THE
23 COMMISSIONER SHALL ORDER THE INSURER TO RETURN THE PREMIUM OR THE
24 AMOUNT OF BENEFITS THAT SHOULD HAVE BEEN PAID, ALONG WITH A SIMPLE
25 INTEREST CHARGE OF 12% PER ANNUM TO BE APPLIED FROM THE TIME THE
26 PREMIUM WAS COLLECTED OR THE BENEFIT WAS DUE OR WOULD HAVE BEEN DUE
27 TO THE CONSUMER.

1 (3) THE COMMISSIONER MAY SUSPEND THE LICENSE OF AN INSURER
2 THAT FAILS TO COMPLY WITH THE COMMISSIONER'S ORDER TO CORRECT A
3 VIOLATION OF THIS CHAPTER.

4 Sec. 2110. (1) In developing and evaluating rates pursuant to
5 the standards prescribed in ~~section~~ **SECTIONS 2109 AND 2109A**, due
6 consideration shall be given to past and prospective loss
7 experience within and outside this state; ~~7-~~to catastrophe hazards,
8 if any; to a reasonable margin for underwriting profit and
9 contingencies; to dividends, savings, or unabsorbed premium
10 deposits allowed or returned by insurers to their policyholders,
11 members, or subscribers; to past and prospective expenses, both
12 countrywide and those specially applicable to this state exclusive
13 of assessments under this ~~code~~ **ACT**; to assessments under this ~~code~~
14 **ACT**; to underwriting practice and judgment; and to all other
15 relevant factors within and outside this state.

16 (2) The systems of expense provisions included in the rates
17 for use by any insurer or group of insurers may differ from those
18 of other insurers or groups of insurers to reflect the requirements
19 of the operating methods of the insurer or group with respect to
20 any kind of insurance, or with respect to any subdivision or
21 combination thereof for which subdivision or combination separate
22 expense provisions are applicable.

23 (3) Risks may be grouped by classifications for the
24 establishment of rates and minimum premiums. The classifications
25 may measure differences in losses, expenses, or both.

26 Sec. 2114. (1) A person ~~or organization~~ aggrieved with respect
27 to any filing ~~which~~ **THAT** is in effect and ~~which~~ **THAT** affects the

1 person ~~or organization~~ may make written application to the
2 commissioner for a hearing on the filing. However, the insurer or
3 rating organization ~~which~~ **THAT** made the filing shall not be
4 authorized to proceed under this subsection. The application shall
5 specify the grounds to be relied upon by the applicant. If the
6 commissioner finds that the application is made in good faith, that
7 the applicant would be so aggrieved if the grounds specified are
8 established, or that the grounds specified otherwise justify
9 holding a hearing, the commissioner, not more than 30 days after
10 receipt of the application, shall hold a hearing in accordance with
11 ~~Act No. 306 of the Public Acts of 1969, as amended~~ **THE**
12 **ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO**
13 **24.328**, upon not less than 10 days' written notice to the
14 applicant, the insurer, and the rating organization ~~which~~ **THAT** made
15 the filing.

16 (2) If after hearing initiated under subsection (1) or upon
17 the commissioner's own motion pursuant to ~~Act No. 306 of the Public~~
18 ~~Acts of 1969, as amended~~ **THE ADMINISTRATIVE PROCEDURES ACT OF 1969,**
19 **1969 PA 306, MCL 24.201 TO 24.328**, the commissioner finds that a
20 filing does not meet the requirements of sections 2109, ~~and 2109A,~~
21 **OR 2111, AS APPLICABLE**, the commissioner shall issue an order
22 stating the specific reasons for that finding. The order shall
23 state when, within a reasonable time after issuance of the order,
24 the filing shall be considered no longer effective. A copy of the
25 order shall be sent to the applicant, if any, and to each insurer
26 and rating organization subject to the order. The order shall not
27 affect a contract or policy made or issued before the date the

1 filing becomes ineffective, as indicated in the commissioner's
2 order.

3 Sec. 2115. (1) If as part of a decision in a proceeding under
4 section 2114, or in a separate proceeding on the commissioner's own
5 motion, held pursuant to ~~Act No. 306 of the Public Acts of 1969, as~~
6 ~~amended~~ **THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL**
7 **24.201 TO 24.328**, the commissioner finds that a reasonable degree
8 of competition does not exist on a statewide basis with respect to
9 ~~automobile insurance or home insurance~~, the commissioner shall by
10 order require each insurer ~~which~~ **THAT** transacts ~~that type of~~ **HOME**
11 insurance in this state to comply with the provisions of chapter 24
12 or 26. ~~, as the case may be, with respect to that insurance which~~
13 ~~was the subject of the commissioner's finding.~~ The order shall take
14 effect not less than 90 nor more than 150 days after the order is
15 issued. On or after the effective date of an order issued under
16 this subsection, none of the provisions of this chapter shall be
17 applicable to ~~the~~ **HOME** insurance. ~~which was the subject of the~~
18 ~~order.~~

19 (2) After an order issued pursuant to subsection (1) has been
20 in effect for 1 year, if the commissioner has reason to believe
21 that there would be a reasonable degree of price competition ~~for~~
22 ~~the type of insurance affected by the order~~, or if, upon the
23 petition of an insurer or a resident of this state, there is a
24 showing that there is reason to believe that there would be a
25 reasonable degree of price competition, ~~for that type of insurance,~~
26 the commissioner shall hold a hearing pursuant to ~~Act No. 306 of~~
27 ~~the Public Acts of 1969, as amended~~ **THE ADMINISTRATIVE PROCEDURES**

1 **ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328**, to determine if a
2 reasonable degree of price competition would exist if the order
3 were no longer in effect. The hearing shall be held upon not less
4 than 20 days' written notice to each insurer subject to the order
5 and upon not less than 20 days' notice in not less than 3
6 newspapers of general circulation within this state.

7 (3) If the commissioner finds after the hearing that a
8 reasonable degree of price competition would exist, the
9 commissioner shall by order state when, not less than 90 nor more
10 than 150 days after issuance of a new order, the preceding order
11 will no longer be effective. On and after the effective date of an
12 order issued under this subsection, the provisions of this chapter
13 shall be applicable to ~~the type of~~ **HOME** insurance. ~~which was the~~
14 ~~subject of the order.~~

15 Sec. 2127. The commissioner may by **ORDER OR** rule prospectively
16 require insurers, rating organizations, and advisory organizations
17 to collect and report data ~~only~~ to the extent necessary to monitor
18 and evaluate the automobile and home insurance markets in this
19 state. The commissioner shall authorize the use of sampling
20 techniques in each instance where sampling is practicable and
21 consistent with the purposes for which the data are to be collected
22 and reported. **ORDERS ISSUED OR RULES PROMULGATED UNDER THIS SECTION**
23 **ARE IN ADDITION TO, AND DO NOT REPLACE, THE REPORTING REQUIREMENTS**
24 **IN SECTION 2128.**

25 **SEC. 2128. ON OR BEFORE APRIL 1 OF EACH YEAR, EACH INSURER WHO**
26 **ISSUES AUTOMOBILE INSURANCE IN THIS STATE SHALL FILE WITH THE**
27 **COMMISSIONER ON FORMS PRESCRIBED BY THE COMMISSIONER, THE FOLLOWING**

1 AUTOMOBILE INSURANCE DATA, BY TERRITORY, FOR THE PRIOR CALENDAR
2 YEAR:

3 (A) WITH RESPECT TO PERSONAL PROTECTION INSURANCE COVERAGE:

4 (i) THE NUMBER OF CLAIMS FOR PERSONAL PROTECTION INSURANCE
5 BENEFITS FOR WHICH PAYMENT IS MADE.

6 (ii) THE NUMBER OF CLAIMS FOR PERSONAL PROTECTION INSURANCE
7 BENEFITS THAT ARE CLOSED WITHOUT PAYMENT.

8 (iii) THE NUMBER OF CLAIMS FOR PERSONAL PROTECTION INSURANCE
9 BENEFITS THAT INVOLVE SOME FORM OF LITIGATION AND ARE CLOSED
10 WITHOUT PAYMENT.

11 (iv) THE NUMBER OF CLAIMS FOR PERSONAL PROTECTION INSURANCE
12 BENEFITS THAT INVOLVE LITIGATION AND FOR WHICH PAYMENT IS MADE
13 AFTER LITIGATION COMMENCES, INCLUDING THE LENGTH OF TIME BETWEEN
14 THE FILING OF THE CLAIM AND THE FIRST PAYMENT.

15 (v) THE AMOUNT OF INTEREST CHARGES PAID ON CLAIMS FOR PERSONAL
16 PROTECTION INSURANCE BENEFITS AND THE NUMBER OF CASES FOR WHICH
17 INTEREST CHARGES HAVE BEEN PAID.

18 (vi) THE LITIGATION COSTS FOR CLAIMS FOR PERSONAL PROTECTION
19 INSURANCE BENEFITS.

20 (vii) THE NUMBER OF CASES GOING TO VERDICT AND THE AMOUNT OF
21 THE VERDICT IN THOSE CASES WHERE AN AWARD IS MADE.

22 (viii) THE NUMBER OF VERDICTS OF NO CAUSE OF ACTION.

23 (ix) THE NUMBER OF CASES WHERE ATTORNEY FEES ARE PAID, THE
24 TOTAL AMOUNT OF ATTORNEY FEES PAID, AND THE AMOUNT OF ATTORNEY FEES
25 PAID FOR EACH CASE WHERE FEES WERE PAID.

26 (B) WITH RESPECT TO RESIDUAL LIABILITY INSURANCE COVERAGE:

27 (i) THE NUMBER OF THIRD PARTY AUTOMOBILE BODILY INJURY TORT

1 CLAIMS CLOSED BY PAYMENT TO THE CLAIMANT BEFORE THE COMMENCEMENT OF
2 LITIGATION AND A BREAKDOWN OF HOW MANY OF THESE CLAIMS WERE DEATH
3 THRESHOLD CLAIMS, SERIOUS IMPAIRMENT OF BODY FUNCTION THRESHOLD
4 CLAIMS, AND PERMANENT SERIOUS DISFIGUREMENT THRESHOLD CLAIMS.

5 (ii) THE NUMBER OF THIRD PARTY AUTOMOBILE BODILY INJURY TORT
6 CLAIM LAWSUITS FILED, AND A BREAKDOWN OF HOW MANY WERE FILED FOR
7 DEATH THRESHOLD CLAIMS, SERIOUS IMPAIRMENT OF BODY FUNCTION
8 THRESHOLD CLAIMS, AND PERMANENT SERIOUS DISFIGUREMENT THRESHOLD
9 CLAIMS.

10 (iii) THE NUMBER OF THIRD PARTY AUTOMOBILE BODILY INJURY TORT
11 CLAIMS CLOSED BY PAYMENT TO THE CLAIMANT AFTER THE COMMENCEMENT OF
12 LITIGATION AND A BREAKDOWN OF HOW MANY OF THESE CLAIMS WERE DEATH
13 THRESHOLD CLAIMS, SERIOUS IMPAIRMENT OF BODY FUNCTION THRESHOLD
14 CLAIMS, AND PERMANENT SERIOUS DISFIGUREMENT THRESHOLD CLAIMS.

15 (iv) THE DOLLAR AMOUNT PAID TO CLAIMANTS TO SETTLE THIRD PARTY
16 AUTOMOBILE BODILY INJURY TORT CLAIMS BEFORE AND AFTER LITIGATION
17 HAD BEEN COMMENCED AND A BREAKDOWN OF THE DOLLAR AMOUNTS PAID FOR
18 DEATH THRESHOLD CLAIMS, SERIOUS IMPAIRMENT OF BODY FUNCTION
19 THRESHOLD CLAIMS, AND PERMANENT SERIOUS DISFIGUREMENT THRESHOLD
20 CLAIMS.

21 (v) THE NUMBER AND DOLLAR AMOUNT PAID OR RESERVED FOR ALL
22 BODILY INJURY CLAIMS SET UP OR OPENED, INDICATING THE NUMBER AND
23 DOLLAR AMOUNT OF RESERVES FOR CLAIMS REMAINING OPEN AT THE END OF
24 THE REPORTING PERIOD.

25 Enacting section 1. Sections 2107 and 2131 of the insurance
26 code of 1956, 1956 PA 218, MCL 500.2107 and 500.2131, are repealed.

27 Enacting section 2. This amendatory act does not take effect

1 unless all of the following bills of the 95th Legislature are
2 enacted into law:

3 (a) Senate Bill No.____ or House Bill No. 5629(request no.
4 01660'09 **).

5 (b) Senate Bill No.____ or House Bill No. 5628(request no.
6 01666'09 ****).

7 (c) Senate Bill No.____ or House Bill No. 5630(request no.
8 01669'09 ***).