

# HOUSE BILL No. 4354

March 18, 2015, Introduced by Reps. Webber, Franz, Lyons, Cochran, Banks, Sheppard,  
Kosowski and Derek Miller and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending sections 2108 and 2406 (MCL 500.2108 and 500.2406),  
section 2406 as amended by 1993 PA 200.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 2108. (1) On the effective date ~~thereof, each insurer~~  
2 ~~shall file with the commissioner every~~ **OF A** manual of  
3 classification, ~~every~~ manual of rules and rates, ~~every~~ rating plan,  
4 ~~and every~~ **OR** modification of a manual of classification, manual of  
5 rules and rates, or a rating plan ~~which it~~ **THAT AN INSURER** proposes  
6 to use for automobile insurance ~~and~~ **OR** home insurance, **THE INSURER**  
7 **SHALL FILE THE MANUAL OR PLAN WITH THE DIRECTOR.** Each filing ~~shall~~  
8 **UNDER THIS SUBSECTION MUST** state the character and extent of the  
9 coverage contemplated. ~~Each~~ **AN** insurer **THAT IS** subject to this  
10 chapter ~~who~~ **AND THAT** maintains rates in any part of this state

1 shall at all times maintain rates in effect for all eligible  
2 persons meeting the underwriting criteria of the insurer.

3 (2) An insurer may satisfy its obligation to make filings  
4 under subsection (1) by becoming a member of, or a subscriber to, a  
5 rating organization licensed under chapter 24 or chapter 26 ~~which~~  
6 ~~THAT~~ makes ~~these~~ **THE** filings, and by filing with the ~~commissioner~~  
7 **DIRECTOR** a copy of its authorization of the rating organization to  
8 make ~~these~~ **THE** filings on its behalf. ~~Nothing contained in this~~  
9 ~~THIS~~ chapter ~~shall be construed as requiring any~~ **DOES NOT REQUIRE**  
10 **AN** insurer to become a member of or a subscriber to ~~any~~ **A** rating  
11 organization. ~~Insurers~~ **AN INSURER** may file and use deviations from  
12 filings made on ~~their~~ **ITS** behalf. ~~, which~~ **THE** deviations ~~shall be~~  
13 **ARE** subject to ~~the provisions of~~ this chapter.

14 (3) ~~Each~~ **A** filing ~~shall~~ **UNDER THIS SECTION MUST** be accompanied  
15 by a certification by or on behalf of the insurer that, to the best  
16 of ~~its~~ **THE INSURER'S** information and belief, the filing conforms to  
17 the requirements of this chapter.

18 (4) ~~Each~~ **A** filing ~~shall~~ **UNDER THIS SECTION MUST** include  
19 information that supports the filing with respect to the  
20 requirements of section 2109. The information may include 1 or more  
21 of the following:

22 (a) The experience or judgment of the insurer or rating  
23 organization making the filing.

24 (b) The interpretation of the insurer or rating organization  
25 of any statistical data it relies ~~upon~~ **ON**.

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

27 (d) Any other relevant information.

(5) ~~A~~ EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A filing UNDER THIS SECTION and any accompanying information ~~shall be open to public inspection upon filing.~~ IS A PUBLIC RECORD AS PROVIDED IN THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. AN INSURER OR A RATING ORGANIZATION FILING ON THE INSURER'S BEHALF MAY DESIGNATE THE FILING OR ANY ACCOMPANYING INFORMATION AS A TRADE SECRET. IF THE DIRECTOR DETERMINES THAT THE FILING OR ANY ACCOMPANYING INFORMATION IS A TRADE SECRET, THE FILING OR ANY ACCOMPANYING INFORMATION IS EXEMPT FROM THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. AS USED IN THIS SUBSECTION, "TRADE SECRET" MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE UNIFORM TRADE SECRETS ACT, 1998 PA 448, MCL 445.1902.

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

Sec. 2406. (1) Except for worker's compensation insurance, ~~every~~ AN insurer shall file with the ~~commissioner~~ every DIRECTOR A manual of classification, ~~every~~ manual of rules and rates, ~~every~~ rating plan, ~~and every~~ OR modification of ~~any of the foregoing~~ A MANUAL OF CLASSIFICATION, MANUAL OF RULES AND RATES, OR RATING PLAN that ~~it~~ THE INSURER proposes to use. ~~Every such~~ EACH filing shall UNDER THIS SUBSECTION MUST state the proposed effective date ~~thereof~~ OF THE FILING and ~~shall~~ MUST indicate the character and extent of the coverage contemplated. If a filing is not accompanied by the information ~~upon~~ ON which the insurer supports the filing, and the ~~commissioner~~ DIRECTOR does not have sufficient information

1 to determine ~~whether~~ **IF** the filing meets the requirements of this  
 2 chapter, the ~~commissioner~~ **DIRECTOR** shall within 10 days of the  
 3 filing give written notice to the insurer to furnish the  
 4 information ~~upon which it~~ **THAT** supports the filing. The information  
 5 furnished in support of a filing may include the experience or  
 6 judgment of the insurer or rating organization making the filing,  
 7 its interpretation of any statistical data it relies ~~upon~~, **ON**, the  
 8 experience of other insurers or rating organizations, or any other  
 9 relevant factors. ~~A filing and any supporting information shall be~~  
 10 ~~open to public inspection after the filing becomes effective.~~

11 (2) Except for worker's compensation insurance, an insurer may  
 12 satisfy its obligation to make ~~such~~ filings by becoming a member  
 13 of, or a subscriber to, a licensed rating organization that makes  
 14 ~~such~~ filings, and by filing with the ~~commissioner~~ **DIRECTOR** a copy  
 15 of its authorization of the rating organization to make ~~such~~  
 16 filings on its behalf. ~~Nothing contained in this~~ **THIS** chapter shall  
 17 ~~be construed as requiring any~~ **DOES NOT REQUIRE AN** insurer to become  
 18 a member of or a subscriber to ~~any~~ **A** rating organization.

19 (3) For worker's compensation insurance in this state, the  
 20 insurer shall file with the ~~commissioner~~ **DIRECTOR** all rates and  
 21 rating systems. ~~Every insurer that insures worker's compensation in~~  
 22 ~~this state on the effective date of this subsection shall file the~~  
 23 ~~rates not later than the effective date of this subsection.~~

24 (4) ~~Except as provided in subsection (3) and as otherwise~~  
 25 ~~provided in this subsection, the~~ **THE** rates and rating systems for  
 26 worker's compensation insurance shall **MUST** be filed not later than  
 27 the date the rates and rating systems are to be effective. ~~However,~~

~~if the insurer providing worker's compensation insurance is controlled by a nonprofit health care corporation formed pursuant to the nonprofit health care corporation reform act, Act No. 350 of the Public Acts of 1980, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, the rates and rating systems that it proposes to use shall be filed with the commissioner not less than 45 days before the effective date of the filing. These filings shall be considered to meet~~ **A FILING UNDER THIS SUBSECTION MEETS** the requirements of this chapter unless and until the ~~commissioner~~ **DIRECTOR** disapproves a filing ~~pursuant to~~ **UNDER** section 2418 or 2420.

(5) ~~Each~~ **A** filing under subsections (3) and (4) ~~shall~~ **MUST** be accompanied by a certification by the insurer that, to the best of ~~its~~ **THE INSURER'S** information and belief, the filing conforms to the requirements of this chapter.

(6) **EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A FILING UNDER THIS SECTION AND ANY SUPPORTING INFORMATION IS A PUBLIC RECORD AS PROVIDED IN THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. AN INSURER OR A RATING ORGANIZATION FILING ON THE INSURER'S BEHALF MAY DESIGNATE THE FILING OR ANY ACCOMPANYING INFORMATION AS A TRADE SECRET. IF THE DIRECTOR DETERMINES THAT THE FILING OR ANY ACCOMPANYING INFORMATION IS A TRADE SECRET, THE FILING OR ANY ACCOMPANYING INFORMATION IS EXEMPT FROM THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. AS USED IN THIS SUBSECTION, "TRADE SECRET" MEANS THAT TERM AS DEFINED IN SECTION 2 OF THE UNIFORM TRADE SECRETS ACT, 1998 PA 448, MCL 445.1902.**

1           Enacting section 1. This amendatory act takes effect 90 days  
2   after the date it is enacted into law.