

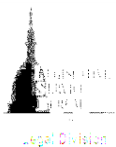
HOUSE BILL NO. 5430

January 30, 2020, Introduced by Reps. Hoadley, Garza, Sowerby, Coleman, Hood, Cynthia Johnson, Stone, Sneller, Haadsma, Yancey, Manoogian, Koleszar, Kuppa, Anthony, Wittenberg, Liberati, Kennedy, Clemente, Bolden, Chirkun, Shannon, Tate, Love, Hope, Greig, Garrett, Cherry, Hammoud, Warren, Witwer, Lasinski, Brenda Carter, Pohutsky, Guerra, Whitsett, Elder, Peterson, Ellison and Jones and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 2027 (MCL 500.2027), as amended by 1998 PA 26.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 Sec. 2027. Unfair methods of competition and unfair or
- 2 deceptive acts or practices in the business of insurance include:
- 3 (a) Refusing to insure, ~~or~~ refusing to continue to insure, or
- 4 limiting the amount of coverage available to an individual or risk
- 5 because of any of the following:
- 6 (i) Race, color, creed, marital status, sex, ~~or~~ national



1 origin, **gender, gender identity, or sexual orientation**, except that
 2 marital status may be used to classify individuals or risks for the
 3 purpose of insuring family units.

4 (ii) The residence, age, disability, or lawful occupation of
 5 the individual or the location of the risk, unless there is a
 6 reasonable relationship between the residence, age, disability, or
 7 lawful occupation of the individual or the location of the risk and
 8 the extent of the risk or the coverage issued or to be issued, but
 9 subject to subparagraph (iii). This section ~~shall~~**does** not prohibit
 10 an insurer from specializing in or limiting its transactions of
 11 insurance to certain occupational groups, types, or risks as
 12 approved by the ~~commissioner of insurance~~**director**. The
 13 ~~commissioner~~**director** shall approve the specialization for an
 14 insurer licensed to do business in this state and whose articles of
 15 incorporation contained a provision on July 1, 1976, requiring that
 16 specialization.

17 (iii) For property insurance, the location of the risk, unless
 18 there is a statistically significant relationship between the
 19 location of the risk and a risk of loss due to fire within the area
 20 in which the insured property is located. As used in this
 21 subparagraph, "area" means a single zip code number under the
 22 zoning improvement plan of the United States ~~postal service~~**Postal**
 23 **Service**.

24 (b) Refusing to insure or refusing to continue to insure an
 25 individual or risk solely because the insured or applicant was
 26 previously denied insurance coverage by an insurer.

27 (c) Charging a different rate for the same coverage based on
 28 ~~sex~~, marital status, age, residence, location of risk, disability,
 29 or lawful occupation of the risk unless the rate differential is



1 based on sound actuarial principles, a reasonable classification
2 system, and is related to the actual and credible loss statistics
3 or, **for new coverages**, reasonably anticipated experience. ~~in the~~
4 ~~ease of new coverages.~~ This subdivision ~~shall~~ **does** not apply if the
5 rate has previously been approved by the ~~commissioner~~ **director**.

