



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 550 (as introduced 9-17-25)
Sponsor: Senator Jeremy Moss
Committee: Finance, Insurance, and Consumer Protection

Date Completed: 9-23-25

CONTENT

The bill would amend the Insurance Code to require an insurer's filing of a manual of classification, manual of rules and rates, or a rating plan with the Director of the Department of Insurance and Financial Services (DIFS) to contain specific information, such as rules for insurance ratings and premiums.

Under the Code, an insurer must file a manual of classification, manual of rules and rates, rating plan, or a modification of any of the three that the insurer proposes to use for home insurance with the Director of DIFS upon the manual's or plan's effective date. Each filing must state the character and extent of the coverage offered by the insurer.

Under the bill, a manual or plan or a modification of a manual or plan that was filed with DIFS would have to contain at least the following:

- A table of contents.
- The rating steps or rate order of calculations.
- All rating rules.
- All minimum premium rules.
- All waived premium rules.
- All payment plan options, including required downpayments.
- A description of the handling of terminations.
- A description of the handling of reinstatements.
- A description of the coverages offered, and any rules related to limitations or restrictions to those coverages.
- A description of discounts and surcharges applied, and any rules related to when the discounts and surcharges apply.
- Any other information required by DIFS.

MCL 500.2021 et al.

FISCAL IMPACT

The bill would have a minor but likely positive fiscal impact on State and local units of government. Insurers would be subject to civil fines if they were found to be in violation of the new provisions pertaining to plans and manuals. Under current law, the Director of DIFS may impose a civil fine of up to \$1,000 per violation or \$5,000 per violation if the insurer reasonably knew that the insurer was in violation of the Act. The maximum aggregate penalty is \$50,000.

Revenue collected from civil fines is used to support local libraries. The amount of revenue to the State or for local libraries that would be collected and distributed under the bill is

indeterminate and dependent on the actual number of violations as well as the amount of the fines actually imposed.

It is possible that DIFS could incur minor costs associated with investigating violations of the bill's provisions.

Analyst: Nathan Leaman

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.