

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.2105 Automobile insurance or home insurance to conform with chapter; exceptions; group plan requirements; group discounts; applicability to certain insurers; effective date.

Sec. 2105. (1) A policy of automobile insurance or home insurance must not be offered, bound, made, issued, delivered or renewed in this state unless the policy conforms to this chapter.

(2) Except as otherwise expressly provided in subsection (4) and this chapter, this chapter does not apply to insurance written on a group, franchise, blanket policy, or similar basis that offers home insurance or automobile insurance to all members of the group, franchise plan, or blanket coverage who are eligible persons.

(3) For purposes of this section, a group plan includes a franchise plan, and, except as provided in subsection (4), is exempt from this chapter if the group meets all of the following criteria:

- (a) Individuals in the group share a common enterprise or an economic or social affinity or relationship.
- (b) The group was not created for the purposes of obtaining insurance.
- (c) Membership in the group is not conditioned on the purchase of insurance.
- (d) The individual members of the group can be specifically identified.

(e) Any other criteria as prescribed by a rule promulgated by the director under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328.

(4) An insurer, including, but not limited to, an insurer that writes insurance as described in subsection (2), shall not establish or maintain rates or rating classifications for automobile insurance based on a factor that is not allowed, or that is prohibited, under section 2111. This subsection does not prohibit a group discount offered to a group based on the losses or expenses, or both, of the group but does prohibit group membership based on home ownership or postal zone.

(5) The amendments to this chapter made by the amendatory act that added this subsection apply to an insurer exempted from any of the requirements of this chapter under section 2129.

(6) The amendments to this chapter made by the amendatory act that added this subsection apply beginning July 1, 2020.

History: Add. 1979, Act 145, Eff. Jan. 1, 1980;—Am. 2019, Act 21, Imd. Eff. June 11, 2019.

Popular name: Act 218

Popular name: Essential Insurance

Popular name: No-Fault Insurance