

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

500.2119 Underwriting rules to be in writing; inconsistent transactions prohibited; uniform application of underwriting rules required; adoption of underwriting rules by insurer with more than 1 rating plan; underwriting rules for new applicants and for renewals; filing and public inspection of underwriting rules; order prohibiting use of inconsistent underwriting rule.

Sec. 2119. (1) Each insurer subject to this chapter shall put in writing all underwriting rules used by the insurer. An insurer shall not transact automobile or home insurance inconsistently with its underwriting rules.

(2) An insurer shall apply its underwriting rules uniformly and without exception throughout this state, so that every applicant or insured conforming with the underwriting rules will be insured or renewed, and so that every applicant or insured not conforming with the underwriting rules will be refused insurance or nonrenewed, when the information becomes available to the insurer.

(3) An insurer with more than 1 rating plan for automobile insurance contracts providing identical coverages shall not adopt underwriting rules that would permit a person to be insured, for automobile insurance, under more than 1 of the rating plans.

(4) An insurer may establish underwriting rules for new applicants that are different than rules for renewals of existing insureds only if the applicants or existing insureds are not eligible persons. Underwriting rules pertaining to renewals of existing insureds who are not eligible persons may be based on a contractual obligation of the insurer not to cancel or nonrenew.

(5) For informational purposes, an insurer shall file with the commissioner its underwriting rules before their use in this state. All filed underwriting rules shall be available for public inspection. If the commissioner finds that an underwriting rule is inconsistent with this chapter, the commissioner, after a hearing held under the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, shall by order prohibit further use of the underwriting rule.

(6) This section does not prohibit an insurer from insuring persons who are not eligible persons under underwriting rules established under this section and sections 2117, 2118, and 2120.

History: Add. 1979, Act 145, Eff. Jan. 1, 1981;—Am. 1980, Act 461, Imd. Eff. Jan. 15, 1981;—Am. 2012, Act 441, Imd. Eff. Dec. 27, 2012.

Popular name: Act 218

Popular name: Essential Insurance

Popular name: No-Fault Insurance