

SENATE BILL No. 1024

January 22, 2008, Introduced by Senators CLARK-COLEMAN, JACOBS, ANDERSON, BRATER, THOMAS, GLEASON, SCHAUER, SWITALSKI, BASHAM, HUNTER, CHERRY and CLARKE and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 2115 (MCL 500.2115), as amended by 1980 PA 461.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2115. (1) ~~If as~~ **AS** part of a decision in a proceeding
2 under section 2114, or in a separate proceeding on the
3 commissioner's own motion, held pursuant to ~~Act No. 306 of the~~
4 ~~Public Acts of 1969, as amended, the commissioner finds that a~~
5 ~~reasonable degree of competition does not exist on a statewide~~
6 ~~basis with respect to automobile insurance or home insurance, THE~~
7 **ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO**
8 **24.328,** the commissioner ~~shall by~~ **MAY** order ~~require each~~ **AN**
9 **AUTOMOBILE OR HOME** insurer ~~which transacts that type of insurance~~

1 ~~in this state~~ to comply with the provisions of chapter 24 or 26, as
 2 the case may be. ~~, with respect to that insurance which was the~~
 3 ~~subject of the commissioner's finding.~~ The order shall take effect
 4 not less than 90 nor more than 150 days after the order is issued.
 5 On or after the effective date of an order issued under this
 6 subsection, none of the provisions of this chapter ~~shall be~~ **IS**
 7 applicable to the insurance ~~which~~ **THAT** was the subject of the
 8 order.

9 (2) After an order issued pursuant to subsection (1) has been
 10 in effect for 1 year, ~~if the commissioner has reason to believe~~
 11 ~~that there would be a reasonable degree of price competition for~~
 12 ~~the type of insurance affected by the order,~~ **THE COMMISSIONER, ON**
 13 **HIS OR HER OWN MOTION,** or ~~if,~~ upon the petition of an insurer or a
 14 resident of this state, ~~there is a showing that there is reason to~~
 15 ~~believe that there would be a reasonable degree of price~~
 16 ~~competition for that type of insurance, the commissioner shall~~ **MAY**
 17 hold a hearing pursuant to ~~Act No. 306 of the Public Acts of 1969,~~
 18 ~~as amended,~~ **THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306,**
 19 **MCL 24.201 TO 24.328,** to determine ~~if a reasonable degree of price~~
 20 ~~competition would exist if~~ **WHETHER** the order ~~were no longer~~ **ISSUED**
 21 **UNDER SUBSECTION (1) SHOULD REMAIN** in effect. The hearing shall be
 22 held upon not less than 20 days' written notice to each insurer
 23 subject to the order **UNDER SUBSECTION (1)** and upon not less than 20
 24 days' notice in not less than 3 newspapers of general circulation
 25 within this state.

26 (3) If the commissioner finds after the hearing that a
 27 ~~reasonable degree of price competition would exist,~~ **AN ORDER ISSUED**

1 **UNDER SUBSECTION (1) SHOULD NOT REMAIN IN EFFECT,** the commissioner
2 shall by order state when, not less than 90 nor more than 150 days
3 after issuance of a new order, the ~~preceding order~~ **UNDER SUBSECTION**
4 **(1)** will no longer be effective. On and after the effective date of
5 an order issued under this subsection, the provisions of this
6 chapter shall be applicable to the type of insurance ~~which~~**THAT** was
7 the subject of the order **UNDER SUBSECTION (1)**.

8 Enacting section 1. This amendatory act does not take effect
9 unless all of the following bills of the 94th Legislature are
10 enacted into law:

11 (a) Senate Bill No. 1023.

12
13 (b) Senate Bill No. 1025.

14
15 (c) Senate Bill No. 1026.