

# HOUSE BILL No. 5859

April 24, 2018, Introduced by Reps. McCready, LaGrand, Iden, Bellino, Graves, Lilly, Runestad, Lucido, Cochran, Garcia, Afendoulis, Calley, Howrylak and VanderWall and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 2112 (MCL 500.2112), as amended by 2015 PA 141.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 2112. (1) Subject to subsection ~~(3)~~, **(4)**, at least  
2 annually, in conjunction with a renewal notice, a bill, or other  
3 notice of payment due issued to a policyholder in conjunction with  
4 an automobile or home insurance contract, an insurer shall send to  
5 the policyholder a written notice that all of the following  
6 information is available and will be provided to the policyholder  
7 on request:

8           (a) A description of the specific rating classifications by  
9 which the rates and premiums for the policy have been determined.  
10 The notice must be of sufficient detail and clarity so that the

1 policyholder can reasonably verify the applicability and accuracy  
2 of the rating classifications.

3 (b) A general explanation of the extent to which rates or  
4 premiums vary among policyholders on the basis of the rating  
5 classifications used by the insurer.

6 (c) Sources and reasonable procedures by which the  
7 policyholder can obtain from the insurer additional information  
8 sufficient for the policyholder to calculate and confirm the  
9 accuracy of his or her specific premium.

10 (d) Relevant information regarding the rights of the  
11 policyholder, under sections 2113 and 2114, to appeal the  
12 application of the insurer's rating plan in determining his or her  
13 premium, to obtain documentation from the insurer regarding the  
14 determination of the rate, to appeal the application of the  
15 insurer's underwriting rules to the policyholder, to request an  
16 informal conference with the insurer, and to file with the director  
17 a complaint as an aggrieved person.

18 (e) A description of all of the insurer's underwriting rules  
19 based on insurance eligibility points and a description of all of  
20 the underwriting rules of the insurer's affiliates based on  
21 insurance eligibility points.

22 (f) A suggestion that the policyholder contact his or her  
23 agent to determine if he or she is eligible for insurance from an  
24 affiliate of the insurer or under a different rating plan of the  
25 insurer that would provide to the policyholder insurance at a more  
26 favorable premium.

27 (2) In a written notice provided under subsection (1), the

1 insurer shall provide the policyholder with a telephone number and  
2 an Internet address, by either of which the policyholder may  
3 contact the insurer to request the information listed in subsection  
4 (1). On request of the policyholder, the insurer shall provide the  
5 policyholder with the requested information in either a written or  
6 electronic format, as requested by the policyholder.

7           **(3) NOT MORE THAN 30 DAYS BEFORE THE EXPIRATION OF AN**  
8 **AUTOMOBILE INSURANCE OR HOME INSURANCE POLICY THAT THE INSURER IS**  
9 **OFFERING TO RENEW, THE INSURER SHALL DISCLOSE TO THE POLICYHOLDER**  
10 **IN WRITING WHETHER THE RENEWAL IS BEING OFFERED FOR AN INCREASED OR**  
11 **DECREASED PREMIUM FROM THE AMOUNT PAID FOR THE PRECEDING TERM OR**  
12 **WHETHER THERE IS NO CHANGE IN THE PREMIUM. A DISCLOSURE UNDER THIS**  
13 **SUBSECTION MAY BE COMBINED WITH A NOTICE UNDER SUBSECTION (1). IF**  
14 **THERE IS A CHANGE IN THE PREMIUM, THE INSURER SHALL DISCLOSE ALL OF**  
15 **THE FOLLOWING:**

16           **(A) THE AMOUNT OF THE PREVIOUS PREMIUM.**

17           **(B) THE AMOUNT OF THE PREMIUM FOR THE RENEWAL.**

18           **(C) THE DIFFERENCE BETWEEN THE AMOUNTS DISCLOSED UNDER**  
19 **SUBDIVISIONS (A) AND (B).**

20           **(D) AN EXPLANATION OF THE REASONS FOR THE CHANGE.**

21           **(4) ~~(3)~~—An insurer is not required to provide information to**  
22 **an insured under this section that is a trade secret as determined**  
23 **by the director under section 2108(5) or 2406(6).**

24           Enacting section 1. This amendatory act takes effect 90 days  
25 after the date it is enacted into law.