

SENATE BILL NO. 708

February 07, 2024, Introduced by Senators SANTANA and SHINK and referred to the Committee of the Whole.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 2120 (MCL 500.2120), as amended by 2019 PA 21.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2120. (1) Affiliated insurers may establish underwriting
2 rules so that each affiliate will provide automobile insurance only
3 to certain eligible persons. This subsection applies only if an
4 eligible person can obtain automobile insurance from 1 of the
5 affiliates. The underwriting rules must be in compliance with this
6 section and sections 2118 and 2119.

1 (2) An insurer may establish separate rating plans so that
2 certain eligible persons are provided automobile insurance under 1
3 rating plan and other eligible persons are provided automobile
4 insurance under another rating plan. This subsection applies only
5 if all eligible persons can obtain automobile insurance under a
6 rating plan of the insurer. Underwriting rules consistent with this
7 section and sections 2118 and 2119 must be established to define
8 the rating plan applicable to each eligible person.

9 (3) Underwriting rules under this section must be based only
10 on the following:

11 (a) With respect to a vehicle insured or to be insured,
12 substantial modifications from the vehicle's original manufactured
13 state for purposes of increasing the speed or acceleration
14 capabilities of the vehicle.

15 (b) Except as otherwise provided in section 2116a, ~~or~~ 2116b,
16 **or 2116c**, failure of the person to provide proof that insurance
17 required by section 3101 was maintained in force with respect to
18 any vehicle owned and operated by the person or by a member of the
19 household of the person during the 6-month period immediately
20 preceding application or renewal of the policy. The proof must take
21 the form of a certification by the person that the required
22 insurance was maintained in force for the 6-month period with
23 respect to the vehicle.

24 (c) For purposes of insuring persons who have refused a
25 deductible lawfully required under section 2118(2)(h), the claim
26 experience of the person with respect to comprehensive coverage.

27 (d) Refusal of the person to pay a minimum deposit required
28 under section 2118(2)(g).

29 (e) A person's insurance eligibility point accumulation under

1 section 2103(1)(h), or the total insurance eligibility point
2 accumulation of all persons who account for 10% or more of the use
3 of 1 or more vehicles insured or to be insured under the policy.

4 (f) The type of vehicle insured or to be insured as provided
5 in section 2118(2)(e).

6 Enacting section 1. This amendatory act does not take effect
7 unless all of the following bills of the 102nd Legislature are
8 enacted into law:

9 (a) Senate Bill No. 282.

10 (b) Senate Bill No. 709.