



MICHIGAN
HOUSE OF REPRESENTATIVES
P.O. Box 30014
LANSING, MICHIGAN 48909-7514

MINUTES OF THE STANDING COMMITTEE ON INSURANCE

Thursday, October 26, 2017 9:00 a.m. Room 519 House Office Building, Lansing

Representative Theis, Chair, called the meeting to order.

MEMBERS PRESENT: Representatives Theis, VanderWall, Barrett, Glenn, Runestad, Vaupel, Webber, Bellino, Hoitenga, LaFave, Wentworth, Greimel, Gay-Dagnogo, Wittenberg, Hammoud, Lasinski.

ABSENT/EXCUSED: Representative Phelps.

Representative Barrett made a motion to adopt the minutes from the meeting held on October 5, 2017. No objections being offered, the minutes were accepted as presented.

Representative Greimel made a motion to excuse absent members. No objections being offered, absent members were excused.

The Chair laid the following bill before the Committee.

HB 5013 (Theis) Insurance; no-fault; coverage and benefits; make miscellaneous changes.

Representative VanderWall made a motion to adopt HB 5013 (H-1).

FAVORABLE ROLL CALL:

Yeas: Representatives Theis, VanderWall, Barrett, Glenn, Runestad, Vaupel, Webber, Bellino, Hoitenga, LaFave, Wentworth. (11/17)

Nays: Representatives Greimel, Gay-Dagnogo, Wittenberg, Hammoud, Lasinski. (5/17)

Pass: None. (0/17) (11/5/0)

A sufficient number of members voting in the affirmative, the motion prevailed.

Bill Stone, representing the House Republican Policy Staff, reviewed HB 5013 (H-1) with the Committee.

Representative Bellino offered the following amendment to HB 5013 (H-1).

1. Amend page 61, line 1, after "**COVERAGE**" by striking out the balance of the line through "**POLICY**" on line 3 and inserting "**FOR AUTOMOBILE INSURANCE POLICIES**".

2. Amend page 61, line 6, after the first "**COVERAGE**" by striking out the balance of the line through "**POLICY**" on line 7 and inserting "**UNDER AUTOMOBILE INSURANCE**".

POLICIES".

3. Amend page 61, line 9, by striking out "**THE PROVISIONS OF**" and inserting "**THE AMENDMENTS TO THIS CHAPTER MADE BY**".
4. Amend page 61, line 9, after "**SECTION**" by striking out the balance of the line through "**(B)**" on line 12.
5. Amend page 61, line 17, after "**COVERAGE**" by striking out the balance of the line through "**3109A(2)(A)**" on line 18.
6. Amend page 61, line 19, after "**VEHICLE**" by inserting "**FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(A), AN AVERAGE 20% OR GREATER REDUCTION PER VEHICLE FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(B), AND AN AVERAGE 10% OR GREATER REDUCTION PER VEHICLE FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(C)**".
7. Amend page 61, line 24, by striking out "**THAT IS SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(A)**".
8. Amend page 61, line 25, after "**TO**" by striking out "**THAT REDUCTION**" and inserting "**THOSE REDUCTIONS**".
9. Amend page 62, line 1, after "**REQUIRED**" by striking out "**REDUCTION**" and inserting "**REDUCTIONS**".
10. Amend page 62, line 3, after "**REQUIRED**" by striking out "**REDUCTION IS**" and inserting "**REDUCTIONS ARE**".
11. Amend page 62, line 17, after the second "**THE**" by striking out "**REDUCTION**" and inserting "**REDUCTIONS**".
12. Amend page 62, line 19, after the second "**THE**" by striking out "**REDUCTION**" and inserting "**REDUCTIONS**".
13. Amend page 62, line 24, after "**RATE**" by striking out "**REDUCTION**" and inserting "**REDUCTIONS**".
14. Amend page 62, line 25, after "**THAT**" by striking out "**IS**" and inserting "**ARE**".
15. Amend page 62, line 25, after "**TO**" by striking out "**AN**" and inserting "**THE**".
16. Amend page 62, line 25, after "**AVERAGE**" by striking out "**40% REDUCTION**".
17. Amend page 62, line 26, after "**VEHICLE**" by inserting "**REDUCTIONS REQUIRED UNDER SUBSECTIONS (1) AND (2)**".
18. Amend page 63, line 18, after the first "**COVERAGE**" by striking out the balance of the line through "**(B)**" on line 19.

Representative Bellino made a motion to amend HB 5013 (H-1).

FAVORABLE ROLL CALL:

Yeas: Representatives Theis, VanderWall, Barrett, Glenn, Runestad, Vaupel, Webber, Bellino, Hoitenga, LaFave, Wentworth, Greimel, Gay-Dagnogo, Wittenberg, Hammoud, Lasinski. (16/17)

Nays: None. (0/17)

Pass: None. (0/17) (16/0/0)

A sufficient number of members voting in the affirmative, the motion prevailed.

Representative Gay-Dagnogo offered the following amendment to HB 5013 (H-1).

1. Amend page 7, line 12, after "on" by striking out the balance of the subsection and inserting "**A FACTOR THAT IS PROHIBITED UNDER SECTION 2111B.**".
2. Amend page 7, line 16, after "(5)" by striking out the balance of the line and

inserting "AN INSURER SHALL NOT ESTABLISH OR MAINTAIN RATES OR RATING CLASSIFICATIONS FOR".

3. Amend page 7, line 17, after "insurance" by striking out "risks may be grouped by" and inserting "BASED ON THE".

4. Amend page 7, line 17, after "territory" by inserting "IN WHICH THE INSURED RESIDES OR WORKS".

5. Amend page 9, following line 1, by inserting:
"SEC. 2111B. AN INSURER SHALL NOT USE ANY OF THE FOLLOWING FACTORS IN UNDERWRITING OR ESTABLISHING RATES FOR AUTOMOBILE INSURANCE:

(A) SEX.

(B) MARITAL STATUS.

(C) RACE.

(D) CREED.

(E) NATIONAL ORIGIN.

(F) RELIGION.

(G) AGE. THIS SUBDIVISION DOES NOT PROHIBIT AN INSURER FROM OFFERING A PREMIUM DISCOUNT PLAN ON THE BASIS OF AGE THAT IS EXPRESSLY ALLOWED UNDER THIS ACT.

(H) EMPLOYMENT OR OCCUPATION.

(I) EDUCATION LEVEL ATTAINED.

(J) HOME OWNERSHIP.

(K) CONSUMER CREDIT INFORMATION OR CREDIT SCORE.

(L) THE ABSENCE OF PRIOR INSURANCE.

(M) ANY MEASURE OF A CONSUMER'S PRICE ELASTICITY OF DEMAND.

(N) LEVEL OF INCOME OR WEALTH. THIS SUBDIVISION DOES NOT PROHIBIT AN INSURER FROM BASING A RATING CLASSIFICATION FOR PERSONAL PROTECTION INSURANCE COVERAGE ON EARNED INCOME AS PROVIDED IN SECTION 2111(2)(B)(i).

SEC. 2111C. NOTWITHSTANDING ANYTHING ELSE IN THIS CHAPTER TO THE CONTRARY, INCLUDING, BUT NOT LIMITED TO, SECTIONS 2110A AND 2111(9), AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, AN INSURER SHALL NOT USE A FACTOR TO ESTABLISH A RATE FOR AUTOMOBILE INSURANCE IF THE INSURER WAS NOT USING THE FACTOR IN ESTABLISHING RATES FOR AUTOMOBILE INSURANCE BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

SEC. 2111D. AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, AN INSURER SHALL NOT RAISE THE PREMIUM FOR AUTOMOBILE INSURANCE FOR AN INSURED WHO, BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, WAS RECEIVING A PREMIUM DISCOUNT FOR AUTOMOBILE INSURANCE BASED ON NONDRIVING FACTORS, SUCH AS, BUT NOT LIMITED TO, THOSE LISTED IN SECTION 2111B."

Representative Gay-Dagnogo made a motion to amend HB 5013 (H-1).

UNFAVORABLE ROLL CALL:

Yeas: Representatives Greimel, Gay-Dagnogo, Wittenberg, Hammoud, Lasinski. (5/17)

Nays: Representatives Theis, VanderWall, Barrett, Glenn, Runestad, Vaupel, Hoitenga, LaFave, Wentworth. (9/17)

Pass: Representatives Webber, Bellino. (2/17) (5/9/2)

An insufficient number of members voting in the affirmative, the motion did not prevail.

Representative Greimel offered the following amendment to HB 5013 (H-1).

1. Amend page 61, line 18, after "IN" by striking out the balance of the line through "THE" on line 19 and inserting "A 40% OR GREATER REDUCTION PER VEHICLE FROM THE TOTAL".

2. Amend page 63, following line 23, by inserting:

"(9) IF, AFTER THE REDUCTION IN RATES MANDATED BY THIS SECTION, AN INSURER REALIZES ANY SAVINGS AS A RESULT OF THE AMENDMENTS TO THIS CHAPTER MADE BY THE AMENDATORY ACT THAT ADDED THIS SECTION, THE INSURER SHALL DISTRIBUTE THE SAVINGS TO ITS INSUREDS."

Representative Greimel made a motion to amend HB 5013 (H-1).

UNFAVORABLE ROLL CALL:

Yeas: Representatives Greimel, Gay-Dagnogo, Wittenberg, Hammoud, Lasinski. (5/17)

Nays: Representatives Theis, VanderWall, Barrett, Glenn, Vaupel, Hoitenga, LaFave, Wentworth. (8/17)

Pass: Representatives Runestad, Webber, Bellino. (3/17) (5/8/3)

An insufficient number of members voting in the affirmative, the motion did not prevail.

The Chair stated that the Committee would stand at ease, the time being 9:18 a.m.

Chair Theis reconvened the meeting at 9:19 a.m.

Representative LaFave made a motion to report HB 5013 (H-3) with recommendation.

FAVORABLE ROLL CALL:

Yeas: Representatives Theis, VanderWall, Barrett, Glenn, Vaupel, Bellino, Hoitenga, LaFave, Wentworth. (9/17)

Nays: Representatives Webber, Greimel, Gay-Dagnogo, Wittenberg, Lasinski. (5/17)

Pass: Representatives Runestad, Hammoud. (2/17)

A sufficient number of members voting in the affirmative, the motion prevailed.

Cards indicating support for HB 5013 were submitted by:

Amanda Fisher, representing the NFIB

Braden Stradley, representing a family of Charter School Students

Wendy Block, representing the Michigan Chamber

Cards indicating opposition to HB 5013 were submitted by:

Christine Shearer, representing the Michigan Association of Health Plans (as written)

Tim Hoste, representing the Michigan Brain Injury Provider Council

Carrie Vanneste, representing Alimar Transportation

There being no additional business before the Committee, Chair Theis declared the meeting adjourned, the time being 9:25 a.m.

Representative Lana Theis, Chair

Catherine Petroskey, Committee Clerk (517) 373-8538