

**Michigan Office of Administrative Hearings and Rules
Administrative Rules Division (ARD)**

611 W. Ottawa Street
Lansing, MI 48909
Phone: 517-335-8658 Fax: 517-335-9512

REQUEST FOR RULEMAKING (RFR)

1. Department:

Insurance and Financial Services

2. Bureau:

Insurance

3. Promulgation type:

Full Process

4. Title of proposed rule set:

Essential Insurance

5. Rule numbers or rule set range of numbers:

R 500.1501 to 500.1521

6. Estimated time frame:

6 months

Name of person filling out RFR:

Julie Agueros

E-mail of person filling out RFR:

AguerosJ@michigan.gov

Phone number of person filling out RFR:

517-894-3713

Address of person filling out RFR:

530 W Allegan St, 8th Floor, Lansing, MI 48933

7. Describe the general purpose of these rules, including any problems the changes are intended to address.

These rules: a) set forth standards for evaluating rates charged in relation to policies issued under the Chapter 21 of the Insurance Code of 1956, MCL 500.2101 to 500.2131 (also known as the Essential Insurance Act or EIA); b) establish procedures to be followed in processing requests for a “review and determination” and “private informal managerial level conference” under Section 2113 of the Insurance Code, MCL 500.2113; and c) set forth reporting and claim information requirements and procedures applicable to insurers. The proposed amendments will: a) clarify the processes applicable to review and determinations and private informal managerial level conferences; b) make technical changes to more clearly differentiate between the private informal managerial level conference that must precede a review and determination and the review and determination itself; c) provide for a remedy to be imposed by the Director to resolve a review and determination based on an incorrect premium charge; and d) make other general revisions for consistency and clarity.

8. Please cite the specific promulgation authority for the rules (i.e. department director, commission, board, etc.).

Section 210 of the Insurance Code of 1956, MCL 500.210, requires the Director of the Department to promulgate rules the Director deems necessary to effectuate the purposes and to execute and enforce state insurance laws. Section 2113 of the Insurance Code of 1956, MCL 500.2113, requires the Director to promulgate rules establishing a procedure for determinations under Section 2113.

A. Please list all applicable statutory references (MCLs, Executive Orders, etc.).

MCL 500.210; MCL 500.2113; Executive Reorganization Order No. 2013-1, MCL 550.991.

B. Are the rules mandated by any applicable constitutional or statutory provision? If so, please explain.

Yes. The rules are promulgated, in part, under the mandatory rulemaking authority in MCL 500.2113.

9. Please describe the extent to which the rules conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.

The rules do not conflict with or duplicate similar rules, compliance requirements, or other standards adopted at the state, regional, or federal level.

10. Is the subject matter of the rules currently contained in any guideline, handbook, manual, instructional bulletin, form with instructions, or operational memoranda?

No, the subject matter of the rules is not currently contained in a guideline, handbook, manual, instructional bulletin, form with instructions, or operational memoranda.

11. Are the rules listed on the department's annual regulatory plan as rules to be processed for the current year?

Yes, the rules are listed on the Department's 2019-2020 annual regulatory plan.

12. Will the proposed rules be promulgated under Section 44 of the Administrative Procedures Act, 1969 PA 306, MCL 24.244, or under the full rulemaking process?

Full Process

13. Please describe the extent to which the rules exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.

The rules do not exceed similar regulations, compliance requirements, or other standards adopted at the state, regional, or federal level.

14. Do the rules incorporate the recommendations received from the public regarding any complaints or comments regarding the rules? If yes, please explain.

No, the rules do not incorporate any recommendations received from the public regarding any complaints or comments.

15. If amending an existing rule set, please provide the date of the last evaluation of the rules and the degree, if any, to which technology, economic conditions, or other factors have changed the regulatory activity covered by the rules since the last evaluation.

The rules amend an existing rule set. The rules have not been amended since the initial promulgation in 1979, effective October 30, 1981. Technology, economic conditions, and other factors have not meaningfully changed the regulatory activity covered by the rules proposed for amendment.

16. Are there any changes or developments since implementation that demonstrate there is no continued need for the rules, or any portion of the rules?

No, there are not any changes or developments since implementation that demonstrate there is no continued need for the rules or any portion of the rules.

17. Is there an applicable decision record (as defined in MCL 24.203(6) and required by MCL 24.239(2))? If so, please attach the decision record.

No