

# HOUSE BILL No. 5855

May 5, 2004, Introduced by Rep. Bieda and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 452.

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

1       Sec. 452. (1) As a condition of its authority to transact  
2 insurance in this state, an insurer shall pay by April 1 of each  
3 year an assessment as provided in subsection (2) written on the  
4 following classifications of insurance for a risk resident or  
5 located within this state for the prior calendar year:

- 6       (a) Homeowners multiple peril.
- 7       (b) Farmowners multiple peril.
- 8       (c) Commercial multiple peril (liability).
- 9       (d) Commercial multiple peril (nonliability).
- 10       (e) Group automobile.
- 11       (f) Private passenger nonfleet automobile.

1           (2) The assessment under this section for each insurer  
2 described in subsection (1) is the product of (A divided by R)  
3 multiplied by (M multiplied by R). As used in this subsection:

4           (a) "A" means \$10,600,000.00 for 2004, and as adjusted  
5 annually by the increase in the consumer price index for every  
6 year after 2004.

7           (b) "Consumer price index" means the annual average  
8 percentage increase in the Detroit consumer price index for all  
9 items for the prior 12-month period as reported by the United  
10 States department of labor and as certified by the commissioner.

11           (c) "M" means the insurer's percentage of market share in  
12 this state for the insurance subject to subsection (1) for the  
13 year immediately preceding the year of the assessment as  
14 determined by the office of financial and insurance services.

15           (d) "R" means the total number of fire runs as reported by  
16 the department of state police for the year immediately preceding  
17 the year of the assessment.

18           (3) The assessment under this section shall be deposited into  
19 the fire fighters training fund created in section 13 of the fire  
20 fighters training council act of 1966, 1966 PA 291, MCL 29.373.

21           Enacting section 1. This amendatory act does not take  
22 effect unless Senate Bill No. \_\_\_\_\_ or House Bill No. 5856  
23 (request no. 06505'04) of the 92nd Legislature is enacted into  
24 law.