

NOTICE
DISCRETIONARY CLAUSE FILINGS

On February 23, 2007, the State Office of Administrative Hearings and Rules filed with the Michigan Secretary of State:

R 500.2201 – R 500.2202, Insurance Policy Forms – Discretionary Clauses,
http://w3.lara.state.mi.us/orr/Files/AdminCode/894_10858_AdminCode.pdf,

R 550.111 – R 550.112, Certificates – Discretionary Clauses,
http://w3.lara.state.mi.us/orr/Files/AdminCode/902_10866_AdminCode.pdf, and

R 550.301 – R 550.302, Credit Insurance Policy Forms – Discretionary Clauses,
http://w3.lara.state.mi.us/orr/Files/AdminCode/904_10868_AdminCode.pdf.

Filing with the Secretary of State completes the Administrative Procedures Act rule promulgation process. Each rule set prohibits from and after March 1, 2007 the use of any discretionary clause in any insurance policy or certificate form issued, advertised, or delivered in Michigan. Each rule set also requires each affected company to submit to the Commissioner no later than April 1, 2007 either a list, certified as complete and accurate, of forms in effect in Michigan that contain a discretionary clause or clauses or a letter to the Commissioner reporting and certifying that the company has no forms containing discretionary clauses currently in effect in Michigan.

**OFIS sent Notices of Noncompliance with these rules to hundreds of companies in August 2007.
Prompt action is now required of those companies to avoid enforcement actions.**

The certifications required by these rules need not be notarized. A letter from a person with authority to speak for the company on the content of forms will suffice. A letter from the company should include the company's name, its NAIC #, and an e-mail address to which the Commissioner may send all future notices. This e-mail address should be a permanent way for the Commissioner to contact the company.

A SAMPLE CERTIFIED LIST LETTER MAY READ:

Company letterhead

Date

I, _____ [name], _____ [title] certify that
_____ [name of company], _____ [NAIC #] before March 1, 2007

issued the following forms for the following types of coverage and that each form contains a discretionary clause as defined in the Michigan Administrative Code. I further certify that this list is accurate and complete.

[form number,] [type of policy], [date form was first sold in Michigan,] [page in form where discretionary clause appears]

The commissioner may use the following e-mail address for future communications with the company: _____ [e-mail address]

Signature

A SAMPLE CERTIFICATION THAT THE COMPANY USES NO FORMS CONTAINING DISCRETIONARY CLAUSES MAY READ:

I, _____ [name], _____ [title] certify that _____ [name of company], _____ [NAIC#] as of _____ [date of certification] does not have any policy forms in effect in the State of Michigan containing discretionary clauses as defined in the Michigan Administrative Code.

The commissioner may use the following e-mail address for future communications with the company: _____ [e-mail address]

Signature

Either filing may be sent to ofisdccfilings@michigan.gov or faxed to 517-241-3953. Any questions regarding the filings required by the Discretionary Clause rules should be directed to Marlene A. Bukoski at 517-373-2588 or toll free at 877-999-6442.