

**LINE OF BUSINESS:** Workers' Compensation & Employers Liability

**Code:** 16.0000

**LINE(S) OF INSURANCE** **CODES**

Standard Workers Compensation 16.0004  
 Employers Liability 16.0002  
 Alternative Workers' Compensation 16.0001  
 Standard Workers Compensation 16.0004

**IF CHECKLIST IS NOT APPLICABLE, PLEASE EXPLAIN:** \_\_\_\_\_  
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REVIEW REQUIREMENTS	REFERENCE	DESCRIPTION OF REVIEW STANDARDS REQUIREMENTS	LOCATION OF STANDARD IN FILING
<b>GENERAL REQUIREMENTS FOR ALL FILINGS</b>			
COPIES, RETURN ENVELOPES, ETC.	<b>Procedures Manual for Non-SERFF Filings</b>	All filings must include a copy of the cover letter along with a self-addressed stamped envelope.	
COVER LETTER AND EXPLANATORY MEMORANDUM	<b>Procedures Manual for Non-SERFF Filings</b>	All filings must include a cover letter and all filings except for new program filings must contain a filing memorandum that identifies and explains changes to previously filed policy forms, endorsements, rules, and rates by form number, rule number, and manual page number.	
EFFECTIVE DATE WORDING	<b>MCLA 500.2406(4)</b>	The insurer can specify a date to begin using the program or revised rates/rules. It must be on or after the date that we receive the filing.	

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FILING SUBMISSION	<a href="#">MCLA 500.2406(4)</a>	The insurer shall file the rates not later than the date the rates and rating systems are to be effective. If the insurer providing workers compensation insurance is controlled by a non profit health care corporation, the rates and rating systems that it proposes to use shall be filed with the commissioner not less than 45 days before the effective date of the filing.	
LIMITATIONS/RESTRICTIONS ON TRANSACTING BUSINESS	<a href="#">MCLA 500.640</a>	An insurer transacting business in this state shall not expose itself to any loss on any 1 risk or hazard in an amount exceeding 10% of its paid-up capital and surplus. However, no portion of a risk or hazard that has been reinsured in an insurer licensed to do insurance business in this state shall be included in determining the limitation of risk prescribed in this section.	
Line of Authority	<a href="#">MCLA 500.402</a> <a href="#">MCLA 500.624(1)(b)</a>	No person shall act as an insurer and no insurer shall issue any policy or otherwise transact insurance in this state except as authorized by a subsisting certificate of authority granted to it by the commissioner pursuant to this code.	
THIRD PARTY FILERS AUTHORITY	<a href="#">Procedures Manual for Non-SERFF Filings</a>	General authority to third party must be granted with a letter from insurance company.	
<b>FORMS—POLICY PROVISIONS</b>			
NO FILE OR FILING EXEMPTIONS	<a href="#">Bulletin 97-03</a>	Forms are exempt from filing. Insurers must maintain a list of exempt forms at their home office that we may request from time to time.	

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AMBIGUOUS & MISLEADING	<a href="#">MCLA 500.2236(5)</a>	Upon written notice to the insurer, the commissioner may disapprove, withdraw approval or prohibit the issuance, advertising or delivery of any form to any person in this state if it violates any provisions of this act, or contains inconsistent, ambiguous or misleading clauses, or contains exceptions and conditions that unreasonably or deceptively affect the risk purported to be assumed in the general coverage of the policy.	
	<a href="#">MCLA 500.2005</a>	An unfair method of competition and an unfair or deceptive act or practice in the business of insurance means the making, issuing, circulating an estimate, illustration, circular, statement, sales presentation, or comparison which by omission of a material fact or incorrect statement of a material fact causes a misrepresentation.	
BANKRUPTCY PROVISIONS	<a href="#">MCLA 500.3004</a>	No policy shall be issued unless it contains provisions as required in section 3006.	
	<a href="#">MCLA 500.3006</a>	Insolvency or bankruptcy of the insured shall not release the insurer from payment of damages	
CANCELLATION & NON-RENEWAL	<a href="#">MCLA 418.621 (4)(g)</a>	The insurer cannot cancel with less than 20 days notice.	
Notice of Cancellation/Non-renewal	<a href="#">MCLA 418.621 (4)(g)</a>	The insurer cannot cancel with less than 20 days notice.	
CONTENT OF POLICIES	<a href="#">MCLA 418.624(4)</a>	Policies must contain statutory medical and work loss benefits.	
MEDICAL PAYMENTS	<a href="#">MCLA 418.315</a> <a href="#">MCLA 418.319</a>	An injured employee can choose his own physician after 10 days of injury and he/she is entitled to rehabilitation services when needed.	

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DISCRIMINATION	<a href="#">MCLA 500.2027</a>	It is unfair and deceptive to refuse to insure, or refuse to continue to insure, or limit the amount of coverage available to an individual or risk because of race, color, creed, marital status, sex, or national origin, residence, age, disability, or lawful occupation of the individual, or location of the risk, unless there is a reasonable relationship established between the classification and the extent of the risk.	
	<a href="#">MCLA 500.2403(1)(d)</a>	Rates cannot be unfairly discriminatory. Thus, they must be supported by sound actuarial principles.	
LOSS SETTLEMENTS Payment of Loss Time Period	<a href="#">MCLA 418.315</a>	The employer shall furnish, or cause to be furnished, to an employee who receives a personal injury arising out of and in the course of employment, reasonable medical, surgical, and hospital services and medicines, or other attendance or treatment recognized by the laws of this state as legal, when they are needed.	
	<a href="#">MCLA 500.2006</a>	Claims must be paid within 60 days of receipt of proof of loss or 12% interest is added.	
NOTICE REQUIREMENTS	<a href="#">MCLA 500.3004</a>	No policy shall be issued unless it contains provisions as required in section 3008.	
	<a href="#">MCLA 500.3008</a>	There shall be a provision that notice given by or on behalf of the insured to any authorized agent of the insurer shall be deemed to be notice to the insurer; also a provision that failure to give any notice required to be given by such policy within the time specified shall not invalidate any claim made if it shall be shown not to have been reasonably possible to give such notice and that notice was given as soon as was reasonably possible.	
READABILITY	<a href="#">MCLA 500.2236</a> <a href="#">MCLA 418.621(5)</a>	Not less than 8 point type. Readability score not less than 45. Not less than 10-point type for the Michigan Law Endorsement.	

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RATE, RULE, RATING PLAN, CLASSIFICATION, AND TERRITORY FILING REQUIREMENTS			
PRICING	<a href="#">MCLA 500.2403(1)(d)</a>	Rates shall not be excessive, inadequate, or unfairly discriminatory.	
Premiums	<a href="#">Administrative Rules 500.1205</a>	For the purposes of section 2403(1)(d) of the code, a rate is unreasonably high for the insurance coverage provided if it is unreasonably high in relation to anticipated losses or expenses, or both, or to the uncertainty of loss for the insurance coverage provided.	
RATE RANGES	<a href="#">Administrative Rule R 500.1207</a>	A reasonable classification system is a system designed to group individuals or risks with similar characteristics into rating classifications which are likely to identify significant differences in mean anticipated losses or expenses, or both, between the groups, as determined by sound actuarial principles and by actual and credible loss and expense statistics or, in the case of new coverages or classifications, by reasonably anticipated loss and expense experience.	
RATING PLAN REQUIREMENTS	<a href="#">MCLA 500.2403(1)(d)</a>	Insurers must use reasonable classifications with rates that are supported by sound actuarial principles.	
Schedule Rating & Expense Modification Plans	<a href="#">Bulletin 2000-04</a>	+/- 25% maximum for schedule rating type plans.	
Competition	<a href="#">MCLA 500.2403</a>	A rate shall not be held to be excessive unless the rate is unreasonably high for the insurance coverage provided and a reasonable degree of competition does not exist with respect to the classification, kind, or type of risks to which the rate is applicable.	

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Expenses	<a href="#">Administrative Rule R 500.1207</a>	A rate is not unfairly discriminatory because it reflects differences in anticipated expenses for classifications of risks with similar anticipated losses or because it reflects differences in anticipated losses for classifications of risks with similar anticipated expenses.	
Experience	<a href="#">Administrative Rule R 500.1207</a>	That data used in developing classifications and rates are derived from the experience of a population or sample of risks that is sufficiently similar to the anticipated insured population.	
Judgment	<a href="#">Procedures Manual for Non-SERFF Filings</a>	Per Commissioner Order No 81-3055-M, Deductible plans, Retrospective Rating Plans, and Excess Workers Compensation Plans that are unique and do not develop sufficient data to congruently rate risks that fall therein can be judgment rated. After an (a) – rate rule is submitted and approved, the insurer must maintain a record for each policyholder for not less than 3 years from the expiration date of the policy. All (a) - rates shall be available for review when requested by OFIS. You should contact the Bureau of Workers Compensation at 517-322-1868 about the policy forms you intend to use for Excess Workers Compensation Coverage.	
Individual Risk Rating	<a href="#">Procedures Manual for Non-SERFF Filings</a>	Must utilize filing form FIS 0797 to request approval of different rates for specific policyholders (rates that are different from those you wish to remain on file for underwriting all other policyholders).	

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SUPPORTING DATA	<a href="#">Bulletin 94-5</a>	Support is not required to be submitted with the filing. However, we may subsequently ask you to provide justification for your rates based on MCLA 500.2403(1)(d), which states, "A rate is reasonably justified by differences in losses, expenses, or both, or by differences in the uncertainty of loss for the individuals or risks to which the rates apply. A reasonable justification shall be supported by a reasonable classification system; by sound actuarial principles when applicable; and by actual and credible loss and expense statistics."	
OTHER	<a href="#">MCLA 500.2418</a>	The Commissioner can issue a withdrawal of approval when he/she subsequently identifies unacceptable rules and/or rates.	