

Legislative Analysis



UPDATE LIFE INSURANCE ANTIDISCRIMINATION PROVISIONS

Phone: (517) 373-8080
<http://www.house.mi.gov/hfa>

House Bill 4666 as introduced
Sponsor: Rep. Brenda Carter
Committee: Insurance
Complete to 10-22-25

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 4666 would amend the Insurance Code to modernize language and increase penalties related to discriminatory practices by life insurers.

Section 2082 of the act, which has not been amended since 1956, prohibits life insurers from discriminating based on race in setting premiums, determining benefits, or imposing conditions. However, the statute uses narrow and dated terminology, specifically referring to “white persons” and “colored persons wholly or partially of African descent.”

The section now bars insurers from charging higher premiums to those described as “colored persons” than to white policyholders of the same age, sex, health status, and life expectancy. It also prohibits offering lower payouts or imposing policy conditions based on race. Violations result in a \$500 forfeiture to the state, and officers or agents who violate the statute are guilty of a misdemeanor punishable by up to one year in jail or a fine between \$50 and \$500, or both.

The bill would update the statutory language by replacing references to “colored persons” and “white persons” with broader references to “individuals” and prohibiting discrimination based “race or color”. The bill also would clarify that these antidiscrimination protections apply to all aspects of life insurance policies, including premiums, benefits, conditions, and rebates.

The bill also would update and increase penalties for violations as described below.

	Current law	HB 4666
An insurance company in violation	Forfeiture of \$500	Civil fine of \$1,000
An insurance officer or agent in violation	Misdemeanor, up to one year of imprisonment or a fine of \$50 to \$500, or both	Misdemeanor, up to one year of imprisonment or a fine of \$500 to \$1,000, or both

Proposed MCL 500.2082

FISCAL IMPACT:

The bill would have an indeterminate fiscal impact on the state and on local units of government. Under the bill, an officer or agent who violates provisions of the bill would be guilty of a misdemeanor punishable by imprisonment in the county jail for up to one year, a fine of \$500 to \$1,000, or both. Misdemeanor convictions would increase costs related to county jails and/or local misdemeanor probation supervision. Costs of local incarceration in county jails and local misdemeanor probation supervision, and how those costs are financed, vary by jurisdiction. Any increase in penal fine revenue would increase funding for public and county law libraries, which are the constitutionally designated recipients of those revenues. The fiscal impact on local court systems would depend on how provisions of the bill affected court caseloads and related administrative costs. Because there is no practical way to determine the number of violations that would occur, an estimate of the amount of costs related to county jails, penal fine revenue collections, or costs to local courts cannot be made.

The bill would have no fiscal impact on the Department of Attorney General (AG). Any potential increase of civil fine collections provided by the bill would be remitted to policyholders identified in the court judgment after the AG has collected the proceeds from the fine.

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