



Senate Fiscal Agency  
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## BILL ANALYSIS



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Senate Bill 548 (Substitute S-1 as reported)

Sponsor: Senator Jeff Irwin

Committee: Finance, Insurance, and Consumer Protection

### **CONTENT**

The bill would establish a framework through which the Director of the Department of Insurance and Financial Services (DIFS) would have to monitor, examine, and penalize insurance companies based on the protection of insurance customers. Specifically, DIFS would have to monitor the insurance market to develop a baseline understanding and identify insurer patterns or practices that deviated from the norm or posed a potential risk to consumers. If such a pattern or practice were identified, the bill would require the DIFS Director to consider and initiate information-gathering activities (market conduct actions) to assess insurers' practices. The bill would require the DIFS Director to determine appropriate penalties and fines for insurers that engaged in behavior that harmed consumers.

The bill would take effect January 1, 2026.

Proposed MCL 500.481–500.491

### **BRIEF RATIONALE**

According to testimony, some bad actors in the insurance industry have financially harmed residents. While insurance costs rise, residents are uncertain whether they will receive from their insurance providers what their policy should require. Some have suggested that the insurance industry needs more deterrents against these bad practices, and the bill would establish more accountability and transparency throughout the industry for the protection of residents.

### **PREVIOUS LEGISLATION**

*(This section does not provide a comprehensive account of previous legislative efforts on this subject matter.)*

The bill is a reintroduction of House Bill 6265 from the 2023-2024 Legislative Session.

### **FISCAL IMPACT**

The bill would not have a significant fiscal impact on DIFS because DIFS already performs a small number of market conduct analyses. Any additional analyses performed would be offset by charges made to the entity investigated as described under the bill. The specific individual designated by the Director to receive associated information would be an existing employee. As a result, it is possible that an increase in overall appropriations to DIFS would be requested in future fiscal years; however, this likely would reflect additional revenue received from these fees. The Department likely would experience some minor administrative costs to ensure compliance.

Date Completed: 10-20-25

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