



**House
Legislative
Analysis
Section**

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CORRECT TECHNICAL ERROR

House Bill 5496 as introduced
First Analysis (2-22-90)

RECEIVED

MAR 05 1990

Sponsor: Rep. Thomas G. Power
Committee: Insurance

Mich. State Law Library

THE APPARENT PROBLEM:

The legislature passed a series of bills during 1989 dealing with the regulation of long-term care insurance. The package specified the instances when coverage in such policies could be limited or excluded. One of those was meant to cover cases when an illness, treatment, or medical condition arose out of aviation, specifically applying only to "passengers who do not pay a fare." Unfortunately, an inadvertent error made its way into the provision at some point in the process, and in one bill the exclusion was made to apply, nonsensically, to "paying passengers who do not pay a fare." (One version of the bill had excluded "nonfare paying passengers" and the error appears to have been made when that was rephrased.) Since the error was only spotted after the bill, Senate Bill 250, emerged from a lengthy stay in conference committee very late in 1989, it was thought best to wait to correct it at a later time, which has now arrived.

THE CONTENT OF THE BILL:

The bill would amend a section of the Nonprofit Health Care Corporation Reform Act (which regulates Blue Cross and Blue Shield of Michigan) dealing with long-term care certificates to remove the word "paying" from the sentence, "This exclusion applies only to paying passengers who do not pay a fare" so that it will read, "This exclusion applies only to passengers who do not pay a fare."

MCL 550.1429

FISCAL IMPLICATIONS:

The Insurance Bureau reports that the bill has no budgetary or revenue implications to the state. (2-20-90)

ARGUMENTS:

For:

The bill corrects a technical error in one of the long-term care coverage bills enacted in 1989.

POSITIONS:

The Insurance Bureau supports the bill. (2-20-90)

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