

SFA

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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House Bill 5496 (as reported without amendment)
Sponsor: Representative Thomas G. Power
House Committee: Insurance
Senate Committee: Commerce and Technology

JUN 26 1990

Date Completed: 4-25-90

RATIONALE

Public Act 305 of 1989 amended the Nonprofit Health Care Corporation Reform Act, which regulates Blue Cross and Blue Shield of Michigan, to provide for regulation of long-term care insurance. The Act specified the instances in which coverage in long-term care policies may be limited or excluded. One of those exclusions was meant to cover cases in which an illness, treatment, or medical condition arose out of aviation, specifically applying only to "passengers who do not pay a fare". The language, however, specifies that the exclusion applies to "paying passengers who do not pay a fare". It has been suggested that the language be corrected.

concerning a long-term care coverage exclusion for airline passengers.

Legislative Analyst: L. Burghardt

Fiscal Analyst: J. Schultz

H.B. 5496 (4-25-90)

CONTENT

The bill would amend the Nonprofit Health Care Corporation Reform Act, to specify that the Act's provision allowing long-term care certificates to exclude coverage for illness, treatment, or medical conditions arising out of aviation would apply only to passengers who do not pay a fare.

MCL 550.1429

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

ARGUMENTS**Supporting Argument**

The bill would correct a technical error

H8990/S5496A

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.