

Act No. 39
Public Acts of 1989
Approved by the Governor
June 5, 1989
Filed with the Secretary of State
June 5, 1989

**STATE OF MICHIGAN
85TH LEGISLATURE
REGULAR SESSION OF 1989**

Introduced by Reps. Mathieu, DeMars, Runco, Allen, Johnson, Hoffman, Leland, Middaugh, Willis Bullard, Gubow, Alley, Gilmer, Weeks, Krause, Law, Sikkema, Stupak, Bandstra, Porreca, Martin, London, Nye, Rocca, Brown, Dutko, Crandall, Bennane, Giese, Dolan, Ouwinga and Gire

ENROLLED HOUSE BILL No. 4243

AN ACT to amend Act No. 350 of the Public Acts of 1980, entitled "An act to provide for the incorporation of nonprofit health care corporations; to provide their rights, powers, and immunities; to prescribe the powers and duties of certain state officers relative to the exercise of those rights, powers, and immunities; to prescribe certain conditions for the transaction of business by those corporations in this state; to define the relationship of health care providers to nonprofit health care corporations and to specify their rights, powers, and immunities with respect thereto; to provide for the regulation and supervision of nonprofit health care corporations by the commissioner of insurance; to prescribe powers and duties of certain other state officers with respect to the regulation and supervision of nonprofit health care corporations; to regulate the merger or consolidation of certain corporations; to prescribe an expeditious and effective procedure for the maintenance and conduct of certain administrative appeals relative to provider class plans; to provide for certain administrative hearings relative to rates for health care benefits; to provide for certain causes of action; to prescribe penalties and to provide civil fines for violations of this act; and to repeal certain acts and parts of acts," as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, by adding section 413a.

The People of the State of Michigan enact:

Section 1. Act No. 350 of the Public Acts of 1980, as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, is amended by adding section 413a to read as follows:

Sec. 413a. (1) A health care corporation shall not issue an individual medicare supplemental certificate to a person who has not applied for or enrolled in medicare, parts A and B. If it is later determined that a person has not applied for or enrolled in medicare, parts A and B, a corporation shall refund all premiums received from the person for medicare supplemental coverage issued to the person plus interest less the amount of any benefits received by the person under the certificate.

(2) As used in this section, interest shall be calculated at 6-month intervals from the date the first premium payment was received at a rate of interest which is equal to 1% plus the average interest rate paid at auctions of 5-year United States treasury notes during the 6 months immediately preceding July 1 and January 1, as certified by the state treasurer, and compounded annually.

Section 2. This amendatory act shall take effect July 1, 1989.

This act is ordered to take immediate effect.

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Clerk of the House of Representatives.

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Secretary of the Senate.

Approved

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Governor.