

HOUSE BILL No. 4242

February 21, 1989, Introduced by Reps. Mathieu, DeMars, Runco, Allen, Johnson, Leland, Hoffman, Middaugh, Willis Bullard, Gubow, Alley, Gilmer, Weeks, Krause, Law, Sikkema, Stupak, Bandstra, Martin, Porreca, London, Nye, Rocca, Brown, Dutko, Crandall, Bennane, Giese, Dolan, Ouwinga and Gire and referred to the Committee on Insurance.

A bill to amend Act No. 218 of the Public Acts of 1956, entitled as amended
"The insurance code of 1956,"
as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, by adding sections 2267d and 2267e.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding sections 2267d and 2267e to
4 read as follows:

5 SEC. 2267D. AN INSURER SHALL NOT ISSUE A MEDICARE SUPPLE-
6 MENTAL POLICY TO A PERSON WHO IS NOT ELIGIBLE FOR MEDICARE.
7 BEFORE OFFERING A MEDICARE SUPPLEMENTAL POLICY TO A PERSON, THE
8 INSURER SHALL VERIFY THAT THE PERSON IS ELIGIBLE FOR MEDICARE.
9 HOWEVER, AN APPLICATION FOR MEDICARE SUPPLEMENTAL COVERAGE MAY BE

1 TAKEN PRIOR TO DETERMINING ELIGIBILITY FOR MEDICARE. IF A PERSON
2 IS NOT ELIGIBLE FOR MEDICARE, AN INSURER SHALL REFUND ALL PREMI-
3 UMS RECEIVED FROM THE PERSON FOR A MEDICARE SUPPLEMENTAL POLICY
4 ISSUED TO THE PERSON.

5 SEC. 2267E. BEFORE OFFERING AN INDIVIDUAL POLICY TO AN
6 APPLICANT, AN INSURER OR AGENT SHALL DETERMINE IF THE APPLICANT
7 IS CURRENTLY INSURED OR COVERED UNDER A GROUP POLICY OR CERTIFI-
8 CATE THAT PROVIDES SUBSTANTIALLY THE SAME BENEFITS AS THE INDIV-
9 VIDUAL POLICY AND SHALL NOTIFY THE APPLICANT HOW THE INDIVIDUAL
10 POLICY BEING OFFERED BY THE INSURER WOULD DUPLICATE OR COORDINATE
11 WITH THE EXISTING GROUP COVERAGE. THE RECEIPT OF NOTIFICATION
12 REQUIRED UNDER THIS SECTION SHALL BE ACKNOWLEDGED BY THE SIGNA-
13 TURES OF THE APPLICANT AND THE INSURANCE AGENT.