

HOUSE BILL No. 4538

April 6, 1989, Introduced by Reps. Sikkema, Weeks, Brown, Wartner, Middaugh, Law, Van Singel, Bennett, Clack, Hoekman, Palamara, Rocca, Saunders, Dutko and Bartnik and referred to the Committee on Insurance.

A bill to amend Act No. 350 of the Public Acts of 1980, entitled

"The nonprofit health care corporation reform act,"

as amended, being sections 550.1101 to 550.1704 of the Michigan Compiled Laws, by adding section 401c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 350 of the Public Acts of 1980, as
2 amended, being sections 550.1101 to 550.1704 of the Michigan
3 Compiled Laws, is amended by adding section 401c to read as
4 follows:

5 SEC. 401C. (1) IF EXISTING GROUP DISABILITY COVERAGE IS
6 REPLACED BY A GROUP CERTIFICATE WITH A PREEXISTING CONDITION LIM-
7 ITATION, THE LEVEL OF COVERAGE IN THE REPLACEMENT CERTIFICATE
8 APPLICABLE TO THE PREEXISTING CONDITION LIMITATION FOR A PERSON

1 WHO HAD BEEN COVERED FOR THAT CONDITION BY THE REPLACED COVERAGE
2 SHALL NOT BE LESS THAN THE LESSER OF THE FOLLOWING:

3 (A) THE COVERAGE OF THE REPLACEMENT CERTIFICATE WITHOUT
4 APPLICATION OF THE PREEXISTING CONDITION LIMITATION.

5 (B) THE BENEFITS OF THE REPLACED GROUP DISABILITY COVERAGE.

6 (2) OTHER THAN AS PROVIDED IN SUBSECTION (1), A REPLACEMENT
7 GROUP CERTIFICATE SHALL NOT INCLUDE A LIMITATION UPON A PERSON OR
8 EXCLUSION OF A PERSON WHO WAS COVERED BY THE GROUP DISABILITY
9 COVERAGE BEING REPLACED IF THE PERSON IS A MEMBER OF THE CLASS OR
10 CLASSES OF INDIVIDUALS ELIGIBLE FOR COVERAGE UNDER THE REPLACE-
11 MENT CERTIFICATE.

12 (3) THIS SECTION DOES NOT PRECLUDE A REDUCTION OR LIMITATION
13 OF BENEFITS WHICH APPLIES TO AN ENTIRE PLAN.