

SENATE BILL No. 86

February 2, 1989, Introduced by Senators POSTHUMUS, EHLERS, DILLINGHAM and N. SMITH and referred to the Committee on Human Resources and Senior Citizens.

A bill to amend section 621 of Act No. 317 of the Public Acts of 1969, entitled as amended
"Worker's disability compensation act of 1969,"
being section 418.621 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 621 of Act No. 317 of the Public Acts of
2 1969, being section 418.621 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 621. (1) Every contract for the insurance of the com-
5 pensation provided in this act for or against liability there-
6 fore, shall be deemed to be made subject to the provisions of
7 this act and provisions inconsistent with this act are void.

8 (2) The accident fund and every insurer issuing an insurance
9 policy to cover any employer not permitted to be a self-insurer
10 under section 611 shall insure, cover, and protect in ~~one and~~

1 the same insurance policy, all the businesses, employees,
2 enterprises, and activities of the employer. Under procedures
3 and conditions specifically determined by the director, a sepa-
4 rate insurance policy may be issued to cover employers performing
5 work at a specified construction site if the director finds that
6 the liability under this act of each employer to all his OR HER
7 employees would at all times be fully secured, ~~and~~ the cost of
8 construction at the site will exceed ~~\$100,000,000.00~~
9 \$20,000,000.00, and the contemplated completion period for the
10 construction will be 10 years or less. Except as modified by the
11 director as provided for herein, each policy of insurance cover-
12 ing ~~workmen's~~ WORKER'S compensation in this state shall contain
13 the following provisions:

14 "Notwithstanding any language elsewhere contained in this
15 contract or policy of insurance, the accident fund or the insurer
16 issuing this policy hereby contracts and agrees with the insured
17 employer:

18 Compensation. (a) That it will pay to the persons that may
19 become entitled thereto all ~~workmen's~~ WORKER'S compensation for
20 which the insured employer may become liable under the provisions
21 of the Michigan ~~workmen's~~ WORKER'S DISABILITY compensation act
22 for all compensable injuries or compensable occupational diseases
23 happening to his employees during the life of this contract or
24 policy;

25 Medical services. (b) That it will furnish or cause to be
26 furnished to all employees of the employer, all reasonable
27 medical, surgical, and hospital services and medicines when they

1 are needed which the employer may be obligated to furnish or
2 cause to be furnished to his OR HER employees under the provi-
3 sions of the Michigan ~~workmen's~~ WORKER'S DISABILITY compensa-
4 tion act and that it will pay to the persons entitled ~~thereto~~
5 ~~for~~ TO all such services and medicines when they are needed for
6 all compensable injuries or compensable occupational diseases
7 happening to his OR HER employees during the life of this con-
8 tract or policy;

9 Rehabilitation services. (c) That it will furnish or cause
10 to be furnished such rehabilitation services for which the
11 insured employer may become liable to furnish or cause to be fur-
12 nished under the provisions of the Michigan ~~workmen's~~ WORKER'S
13 DISABILITY compensation act for all compensable injuries or com-
14 pensable occupational diseases happening to his OR HER employees
15 during the life of this contract or policy;

16 Funeral expenses. (d) That it will pay or cause to be paid
17 the reasonable expense of the last sickness and burial of all
18 employees whose deaths are caused by compensable injuries or com-
19 pensable occupational diseases happening during the life of this
20 contract or policy and arising out of and in the course of their
21 employment with the employer, which the employer may be obligated
22 to pay under the provisions of the Michigan ~~workmen's~~ WORKER'S
23 DISABILITY compensation act;

24 Scope of contract. (e) That this insurance contract or
25 policy shall for all purposes be held and deemed to cover all the
26 businesses the ~~said~~ employer is engaged in at the time of the
27 issuance of this contract or policy and all other businesses, if

1 any, the employer may engage in during the life thereof, and all
2 employees the employer may employ in any of ~~his~~ THE EMPLOYER'S
3 businesses during the period covered by this policy;

4 Obligations assumed. (f) That it hereby assumes all obliga-
5 tions imposed upon the employer by his OR HER acceptance of the
6 Michigan ~~workmen's~~ WORKER'S DISABILITY compensation act, as far
7 as the payment of compensation, death benefits, medical surgical,
8 hospital care or medicine and rehabilitation services is con-
9 cerned;

10 Termination notice. (g) That it will file with the bureau
11 of workmen's compensation at Lansing, Michigan, at least 20 days
12 before the taking effect of any termination or cancellation of
13 this contract or policy, a notice giving the date at which it is
14 proposed to terminate or cancel this contract or policy; and that
15 any termination of this policy shall not be effective as far as
16 the employees of the insured employer are concerned until 20 days
17 after notice of proposed termination or cancellation is received
18 by the bureau of workmen's compensation;

19 Conflicting provisions. (h) That all the provisions of this
20 contract, if any, which are not in harmony with this paragraph
21 are to be construed as modified hereby, and all conditions and
22 limitations in the policy, if any conflicting herewith are hereby
23 made null and void."

24 (3) The provisions shall be printed upon or conspicuously
25 attached to every insurance contract or policy issued by the
26 accident fund or insurer in type size not smaller than 10-point
27 and shall constitute a separate paragraph of the policy and any

1 provision of the policy inconsistent with the ~~said~~ undertakings
2 and agreements of the accident fund or insurer contained in such
3 provisions shall be null and void.