



**House
Legislative
Analysis
Section**

Washington Square Building, Suite 1025
Lansing, Michigan 48909
Phone 517/373-6466

EXEMPTIONS FROM INSURANCE CODE

House Bill 4408 (Substitute H-2) **RECEIVED**
First Analysis (10-29-87)

NOV 17 1987

Sponsor: Rep. Mary C. Brown
Committee: Insurance

Mich. State Law Library

THE APPARENT PROBLEM:

Generally speaking, organizations engaged in the business of insurance are regulated under the Insurance Code. The code lists those organizations that are not within its purview. The list of exceptions needs to be expanded, say insurance technicians, to include some self-insurance pools operating under their own enabling acts.

THE CONTENT OF THE BILL:

The bill would amend the Insurance Code to specify that the code does not apply to municipal self-insurance pools formed under Public Act 35 of 1951 nor to self-insurance pools formed under the Worker's Disability Compensation Act.

MCL 500.128

FISCAL IMPLICATIONS:

The bill has no fiscal implications, according to the Department of Licensing and Regulation. (10-27-87)

ARGUMENTS:

For:

The bill contains some useful technical amendments to make it clear that the Insurance Code does not apply to two kinds of self-insurance pools that operate under their own enabling acts, which provide for any regulatory involvement by the insurance commissioner.

Against:

The only argument advanced against the bill is that it might not be necessary since the pools' enabling acts exclude regulation under the Insurance Code.

POSITIONS:

The Department of Licensing and Regulation, which houses the Insurance Bureau, supports the bill. (10-27-87)

H.B. 4408 (10-29-87)