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SFA



BILL ANALYSIS

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Senate Bill 74 (Substitute S-2)
Senate Bill 75 (Substitute S-2)
Senate Bill 76 (Substitute S-2)
Senate Bill 434 (as introduced 4-22-97)
Sponsor: Senator Jon Cisky (S.B. 74, 75, and 76)
 Senator Dianne Byrum (S.B. 434)
Committee: Health Policy and Senior Citizens

Date Completed: 4-28-97

CONTENT

The bills would amend three Acts to prohibit a life insurer, an insurer that issues or renews an expense-incurred hospital, medical, or surgical policy, a health maintenance organization, or Blue Cross and Blue Shield of Michigan (BCBSM) from rating, canceling coverage on, or refusing to provide coverage for, or refusing to issue or renew an insurance contract, policy, or certificate, solely because an insured, enrollee, or applicant was or had been the victim of a domestic assault.

Senate Bill 74 (S-2) and Senate Bill 434 would amend the Insurance Code; Senate Bill 75 (S-2) would amend the Public Health Code (which governs health maintenance organizations); and Senate Bill 76 (S-2) would amend the Nonprofit Health Care Corporation Reform Act (which governs BCBSM).

The bills provide that an insurer, a health maintenance organization (HMO), or BCBSM could not be held civilly liable for any cause of action that could result from compliance with the bills' provisions. The bills would apply to all contracts, policies, or certificates issued or renewed on or after 60 days after the bills' effective dates.

Under the bills, "domestic violence" would mean causing or attempting to cause bodily injury, serious emotional injury, or psychological trauma to a "family or household member" who was residing with or had resided with, or who had a child in common with, the person committing the domestic violence. A "family or household member" would include the following persons or their dependent: a spouse or former spouse; parent; caregiver; child; current or former intimate partner; or any other adult related by consanguinity (blood relationship) or affinity (relationship by marriage).

Senate Bills 74 (S-2) and 434 also provide that a life insurer or an insurer that issues an expense-incurred hospital, medical, or surgical policy would not be prohibited from inquiring about, underwriting, or charging a different premium on the basis of an individual's physical or mental condition, regardless of the cause of the condition. Further, Senate Bill 74 (S-2) specifies that a life insurer could not be prevented from refusing to issue a life insurance policy insuring a person who had been the victim of domestic violence if the individual who committed the domestic violence were the applicant for, prospective owner of, or beneficiary under the policy and one or more of the following applied:

- The applicant, prospective owner, or beneficiary under the policy was known on the basis of police or court records to have committed domestic violence.
- The insurer knew of an arrest or conviction for a domestic violence-related offense by the applicant for, prospective owner of, or beneficiary under the policy.
- The insurer had reasonable grounds to believe that the applicant for, prospective owner of, or beneficiary under the policy was committing domestic violence.

Proposed MCL 500.2246 (S.B. 74)
Proposed MCL 333.21072 (S.B. 75)
MCL 550.1401 (S.B. 76)
Proposed MCL 500.3406j (S.B. 434)

Legislative Analyst: G. Towne

FISCAL IMPACT

The bills would have no apparent fiscal impact on State or local government.

Fiscal Analyst: J. Walker

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.