

Act No. 66  
Public Acts of 1997  
Approved by the Governor  
July 15, 1997  
Filed with the Secretary of State  
July 15, 1997  
EFFECTIVE DATE: July 15, 1997

**STATE OF MICHIGAN  
89TH LEGISLATURE  
REGULAR SESSION OF 1997**

**Introduced by Reps. Palamara, Freeman, DeHart, Mans, Anthony, Cherry, Martinez, LaForge, Willard, Hammerstrom, Schauer, Wojno, Gire, Bobier, Law, Llewellyn, Crissman, Schermesser, Scott, Brown, Goschka, Dalman, Callahan, Bogardus, Baird, Baade, Frank, Green, Thomas, Bodem, Profit, Gubow, Griffin, Leland, Murphy, Rocca, Scranton and Brater  
Reps. Bankes, Cassis, Ciaramitaro, DeVuyst, Dobb, Dobronski, Gagliardi, Gilmer, Jellema, Johnson, Kaza, Kelly, Kukuk, London, McBryde, Middleton, Olshove, Parks, Prusi, Raczkowski, Richner, Rison, Sikkema, Varga, Vaughn, Voorhees, Wallace and Wetters named co-sponsors**

# **ENROLLED HOUSE BILL No. 4394**

AN ACT to amend 1956 PA 218, entitled "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to repeal certain acts and parts of

acts; to repeal certain acts and parts of acts on specific dates; to repeal certain parts of this act on specific dates; and to provide penalties for the violation of this act," (MCL 500.100 to 500.8302) by adding section 3407a.

*The People of the State of Michigan enact:*

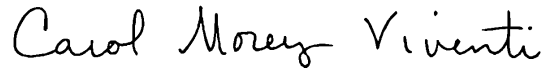
Sec. 3407a. A disability insurer shall not prohibit or discourage a health care provider from advocating on behalf of an insured for appropriate medical treatment options pursuant to the grievance procedure in section 2213 or from discussing with an insured or provider any of the following:

- (a) Health care treatments and services.
- (b) Quality assurance plans required by law, if applicable.
- (c) The financial relationships between the insurer and the health care provider including all of the following as applicable:
  - (i) Whether a fee-for-service arrangement exists, under which the provider is paid a specified amount for each covered service rendered to the participant.
  - (ii) Whether a capitation arrangement exists, under which a fixed amount is paid to the provider for all covered services that are or may be rendered to each covered individual or family.
  - (iii) Whether payments to providers are made based on standards relating to cost, quality, or patient satisfaction.

This act is ordered to take immediate effect.



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Clerk of the House of Representatives.



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Secretary of the Senate.

Approved .....

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Governor.