

# Legislative Analysis

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## GROUP SELF-INSURANCE POOLS: NONPROFITS

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### House Bill 5179

Sponsor: Rep. Shelley Goodman Taub

Committee: Insurance

Complete to 9-20-05

## A SUMMARY OF HOUSE BILL 5179 AS INTRODUCED 9-14-05

Public Act 35 of 1951 allows two or more municipal corporations, by intergovernmental contract, to form a group self-insurance pool to provide the participating local units with risk management and coverage for pool members and employees. This applies to counties, county road commissions, townships, cities, villages, school districts, community college districts, metropolitan districts, court districts, public authorities, drainage districts, public transportation corporations, and other local authorities and agencies.

The pools can provide casualty insurance, including general and professional liability coverage; property insurance; automobile insurance; surety and fidelity insurance; and umbrella and excess insurance.

House Bill 5179 would also allow two or more nonprofit corporations, or any combination of two or more municipal corporations and nonprofit corporations, to form a group self-insurance pool by contract.

(Generally speaking, Public Act 35 does not allow municipal corporations to use the act to provide group hospital, medical, surgical, or dental benefits to employees of school members. However, the act does not prevent municipal corporations from forming multiple employer welfare arrangements, or MEWAs, for those purposes under Chapter 70 of the Insurance Code. House Bill 5179 would not appear to include nonprofits under this MEWA provision, however.)

## FISCAL IMPACT:

There is no fiscal impact on the State of Michigan or its local units of government.

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