



Senate Fiscal Agency
P. O. Box 30036
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BILL ANALYSIS



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House Bill 6432 (as reported without amendment)
Sponsor: Representative Michael Webber
House Committee: Insurance
Senate Committee: Insurance

CONTENT

The bill would amend the Health Benefit Agent Act to do the following:

- Allow, instead of require, health benefits to be sold on behalf of a health benefit corporation.
- No longer allow an employee either of a health benefit corporation or an affiliate of the health benefit corporation if certain criteria are met to sell health benefits on behalf of a health benefit corporation.
- Specify that if an application for health benefits that was packaged with insurance were submitted by an agent to a health benefit corporation or to an affiliate of a health benefit corporation and the corporation or the affiliate knew the agent of record for the group's current health benefits, the corporation or the affiliate would have to notify the agent of record of the application unless certain criteria applied.
- Prohibit a health benefit corporation or the affiliate of a health benefit corporation from processing an application for 14 days after a notification was given if the health benefit corporation or the affiliate of a health benefit corporation notified the agent of record.
- Delete a provision prohibiting an employee either of a health benefit corporation or an affiliate of a health benefit corporation who was licensed as an insurance agent under Chapter 12 (Agents, Solicitors, Adjusters, and Counselors) of the Code from transacting insurance during his or her employment with the health benefit corporation or the affiliate.

"Agent of record" would mean a person that is a health benefit agent authorized to represent a subscriber to transact insurance, including the purchasing, servicing, and maintenance of health benefits and that is shown on the records of the health benefit corporation or the affiliate of a health benefit corporation as the agent to whom commission is to be paid.

MCL 550.1003 & 550.1009

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

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

Date Completed: 12-7-18

Fiscal Analyst: Steve Angelotti