

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.2011 Unfair methods of competition; unfair or deceptive acts or practices.

Sec. 2011. (1) An unfair method of competition and an unfair or deceptive act or practice in the business of insurance includes an insurer providing a commission or other compensation to the insurer's representative or agent for the sale or service of a disability policy or rider issued to an individual eligible for medicare, unless the amount of the commission or compensation paid in the first year of the policy is not more than the amount of the commission or compensation that the insurer's representative or agent receives for the policy in each of the 2 subsequent, consecutive annual renewal periods.

(2) An unfair method of competition and an unfair or deceptive act or practice in the business of insurance includes an insurer issuing a disability policy or rider to an individual eligible for medicare that provides for a new preexisting condition limitation waiting period if coverage is converted to or replaced by a new or other form of similar coverage with the same insurer or any of the insurer's affiliates. If the preexisting condition limitation waiting period in the original or replaced policy has not expired, the replacing policy may include the remaining term of the preexisting condition limitation waiting period of the replaced policy. This subsection does not apply to an increase in benefits voluntarily selected by the individual.

History: Add. 1989, Act 131, Eff. Nov. 1, 1989.

Popular name: Act 218