

SENATE BILL No. 707

February 16, 1988, Introduced by Senator POSTHUMUS and referred
to the Committee on Commerce and Technology.

A bill to amend section 134 of Act No. 218 of the Public
Acts of 1956, entitled as amended
"The insurance code of 1956,"
being section 500.134 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 134 of Act No. 218 of the Public Acts of
2 1956, being section 500.134 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 134. (1) Every certificate of authority or license in
5 force immediately prior to ~~the effective date of this act~~
6 JANUARY 1, 1957 and existing under any act ~~herein~~ repealed BY
7 THIS ACT is valid until its original expiration date, unless ear-
8 lier terminated in accordance with this act.

9 (2) ANY PLAN OF OPERATION ADOPTED BY AN ASSOCIATION OR
10 FACILITY, AND ANY PREMIUM OR ASSESSMENT LEVIED AGAINST AN INSURER

1 MEMBER OF THAT ASSOCIATION OR FACILITY, IS HEREBY VALIDATED
2 RETROACTIVELY TO THE DATE OF ITS ORIGINAL ADOPTION OR LEVY AND
3 SHALL CONTINUE IN FORCE AND EFFECT ACCORDING TO THE TERMS OF THE
4 PLAN OF OPERATION, PREMIUM, OR ASSESSMENT UNTIL OTHERWISE CHANGED
5 BY THE COMMISSIONER OR THE BOARD OF DIRECTORS OF THE ASSOCIATION
6 OR FACILITY PURSUANT TO THIS ACT.

7 (3) AN ASSOCIATION OR FACILITY OR THE BOARD OF DIRECTORS OF
8 THE ASSOCIATION OR FACILITY:

9 (A) IS NOT A STATE AGENCY FOR PURPOSES OF THE ADMINISTRATIVE
10 PROCEDURES ACT OF 1969, ACT NO. 306 OF THE PUBLIC ACTS OF 1969,
11 BEING SECTIONS 24.201 TO 24.328 OF THE MICHIGAN COMPILED LAWS.

12 (B) IS NOT A PUBLIC BODY FOR PURPOSES OF THE OPEN MEETINGS
13 ACT, ACT NO. 267 OF THE PUBLIC ACTS OF 1976, BEING SECTIONS
14 15.261 TO 15.275 OF THE MICHIGAN COMPILED LAWS, OR THE FREEDOM OF
15 INFORMATION ACT, ACT NO. 442 OF THE PUBLIC ACTS OF 1976, BEING
16 SECTIONS 15.231 TO 15.246 OF THE MICHIGAN COMPILED LAWS.

17 (4) THE MONEY OF AN ASSOCIATION OR FACILITY IS NOT STATE
18 MONEY.

19 (5) AS USED IN THIS SECTION, "ASSOCIATION OR FACILITY" MEANS
20 AN ASSOCIATION OF INSURERS CREATED UNDER THIS ACT AND ANY OTHER
21 ASSOCIATION OR FACILITY FORMED UNDER THIS ACT AS A NONPROFIT
22 ORGANIZATION OF INSURER MEMBERS, INCLUDING, BUT NOT LIMITED TO,
23 THE FOLLOWING:

24 (A) THE MICHIGAN WORKER'S COMPENSATION PLACEMENT FACILITY
25 CREATED UNDER CHAPTER 23.

26 (B) THE MICHIGAN BASIC PROPERTY INSURANCE ASSOCIATION
27 CREATED UNDER SECTION 29.

1 (C) THE CATASTROPHIC CLAIMS ASSOCIATION CREATED UNDER
2 CHAPTER 31.

3 (D) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY
4 CREATED UNDER CHAPTER 33.

5 (E) THE MICHIGAN LIFE AND HEALTH INSURANCE GUARANTY ASSOCIA-
6 TION CREATED UNDER CHAPTER 77.

7 (F) THE PROPERTY AND CASUALTY GUARANTY ASSOCIATION CREATED
8 UNDER CHAPTER 79.

9 Section 2. The amendment to section 134 of Act No. 218 of
10 the Public Acts of 1956, being section 500.134 of the Michigan
11 Compiled Laws, pursuant to this amendatory act is intended to
12 codify, approve, and validate the actions and long-standing prac-
13 tices taken by the associations and facilities mentioned in this
14 amendatory act retroactively to the time of their original
15 creation. It is the intent of this amendatory act to rectify the
16 misconception of the applicability of the administrative proce-
17 dures act of 1969 by the court of appeals in League General
18 Insurance Company v Catastrophic Claims Association, Case
19 No. 93744, December 21, 1987, with respect to the imposition of
20 rule promulgation requirements on the catastrophic claims associ-
21 ation as a state agency, and to further assure that the associa-
22 tions and facilities mentioned in this amendatory act, and their
23 respective boards of directors, shall not hereafter be treated as
24 a state agency or public body for purposes of the public acts
25 reference in subsections (2) to (5) of section 134 of Act No. 218
26 of the Public Acts of 1956.