

HOUSE BILL No. 5588

March 12, 1990, Introduced by Reps. Stupak and DeMars and referred to the Committee on Insurance.

A bill to amend Act No. 125 of the Public Acts of 1963, entitled

"An act to provide for the incorporation, supervision and regulation of nonprofit dental care corporations; to prescribe the functions of the commissioner of insurance as to such corporations; and to prescribe penalties for violations of this act,"

as amended, being sections 550.351 to 550.373 of the Michigan Compiled Laws, by adding section 11a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1: Act No. 125 of the Public Acts of 1963, as
2 amended, being sections 550.351 to 550.373 of the Michigan
3 Compiled Laws, is amended by adding section 11a to read as
4 follows:

5 SEC. 11A. ALL SERVICES PAYABLE UNDER THE TERMS OF A DENTAL
6 CARE CORPORATION CONTRACT SHALL BE PAID WITHIN 42 DAYS FOLLOWING
7 RECEIPT BY THE CORPORATION OF DUE PROOF OF SERVICES PERFORMED.

1 FAILURE TO PAY WITHIN THIS 42-DAY PERIOD SHALL ENTITLE THE
2 SUBSCRIBER TO INTEREST AT THE RATE OF 9% PER ANNUM FROM THE
3 FORTY-SECOND DAY AFTER RECEIPT OF THE PROOF OF SERVICES PERFORMED
4 TO THE DATE OF LATE PAYMENT. INTEREST AMOUNTING TO LESS THAN
5 \$1.00 NEED NOT BE PAID. THIS SECTION APPLIES TO A DENTAL CARE
6 CORPORATION CONTRACT DELIVERED, ISSUED FOR DELIVERY, RENEWED, OR
7 AMENDED IN THIS STATE 180 DAYS AFTER THE EFFECTIVE DATE OF THE
8 AMENDATORY ACT THAT ADDED THIS SECTION.