

HOUSE BILL No. 5589

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

A bill to amend section 3416 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

being section 500.3416 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3416 of Act No. 218 of the Public Acts
2 of 1956, being section 500.3416 of the Michigan Compiled Laws, is
3 amended to read as follows:

4 Sec. 3416. (1) There shall be a provision as follows:

5 TIME OF PAYMENT OF CLAIMS: Indemnities payable under this
6 policy for any loss other than loss for which this policy pro-
7 vides any periodic payment will be paid immediately upon receipt
8 of due written proof of such loss. Subject to due written proof
9 of loss, all accrued indemnities for loss for which this policy
10 provides periodic payment will be paid

1 (insert period for payment which must not be less frequently than
2 monthly) and any balance remaining unpaid upon the termination of
3 liability will be paid immediately upon receipt of due written
4 proof.

5 (2) ALL CLAIMS AND INDEMNITIES PAYABLE UNDER THE TERMS OF A
6 HOSPITAL, MEDICAL, OR SURGICAL EXPENSE-INCURRED POLICY SHALL BE
7 PAID WITHIN 42 DAYS FOLLOWING RECEIPT BY THE INSURER OF DUE PROOF
8 OF LOSS. FAILURE TO PAY WITHIN THIS 42-DAY PERIOD SHALL ENTITLE
9 THE INSURED TO INTEREST AT THE RATE OF 9% PER ANNUM FROM THE
10 FORTY-SECOND DAY AFTER RECEIPT OF THE PROOF OF LOSS TO THE DATE
11 OF LATE PAYMENT. INTEREST AMOUNTING TO LESS THAN \$1.00 NEED NOT
12 BE PAID. THIS SUBSECTION APPLIES TO A HOSPITAL, MEDICAL, OR SUR-
13 GICAL EXPENSE-INCURRED POLICY DELIVERED, ISSUED FOR DELIVERY,
14 RENEWED, OR AMENDED IN THIS STATE 180 DAYS AFTER THE EFFECTIVE
15 DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.