

SENATE BILL No. 463

August 22, 1991, Introduced by Senators GAST and DE GROW
and referred to the Committee on Labor.

A bill to amend section 204 of Act No. 431 of the Public Acts of 1984, entitled as amended
"The management and budget act,"
as added by Act No. 504 of the Public acts of 1988, being section 18.1204 of the Michigan Compiled Laws; and to repeal certain acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 204 of Act No. 431 of the Public Acts of
2 1984, as added by Act No. 504 of the Public Acts of 1988, being
3 section 18.1204 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 204. (1) The department shall develop and implement
6 standardized risk management policies, practices, and procedures
7 for all state agencies.

1 (2) The department shall review all risk management related
2 programs of state agencies, including, but not limited to,
3 worker's compensation, disability management, insurance, safety,
4 loss control, claims handling, exposure analysis, accident inves-
5 tigation, and risk management information systems.

6 (3) After review by affected state agencies, the department
7 may administer selected risk management related programs as
8 described in subsection (2).

9 (4) The department shall review and approve all proposals
10 for the acquisition of insurance or related services for state
11 agencies and utilize self-insurance options where cost
12 effective.

13 (5) THE DIRECTOR SHALL DETERMINE ANNUALLY THE AMOUNT OF
14 MONEY NECESSARY TO PAY ALL BENEFITS ACCRUING TO STATE EMPLOYEES
15 UNDER THE WORKER'S DISABILITY COMPENSATION ACT OF 1969, ACT
16 NO. 317 OF THE PUBLIC ACTS OF 1969, BEING SECTIONS 418.101 TO
17 418.941 OF THE MICHIGAN COMPILED LAWS, AND THE METHOD BY WHICH
18 SUCH PAYMENT SHALL BE MADE. THE DIRECTOR MAY DETERMINE AND USE
19 THE MOST COST EFFECTIVE MEANS OF ADMINISTERING THE PAYMENT OF
20 THESE BENEFITS, EITHER THROUGH THE STATE ACCIDENT FUND OR OUTSIDE
21 CONTRACT.

22 Section 2. Section 6 of Act No. 388 of the Public Acts of
23 1913, being section 550.706 of the Michigan Compiled Laws, is
24 repealed.