



# HOUSE BILL No. 5978

December 6 1994 Introduced by Reps Shugars and Jamian and referred to the Committee on Insurance

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

The insurance code of 1956,  
as amended, being sections 500 100 to 500 8302 of the Michigan  
Compiled Laws, by adding section 3415

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT

1 Section 1 Act No 218 of the Public Acts of 1956, as  
2 amended, being sections 500 100 to 500 8302 of the Michigan  
3 Compiled Laws, is amended by adding section 3415 to read as  
4 follows

5 SEC 3415 (1) A DISABILITY INSURER AUTHORIZED TO WRITE  
6 HOSPITAL, MEDICAL OR SURGICAL EXPENSE-INCURRED POLICIES OR CER-  
7 TIFICATES IN THIS STATE SHALL INCLUDE IN 18-POINT TYPE IN EACH  
8 NOTICE OR STATEMENT OF EXPLANATION OF COVERAGE OR BENEFITS  
9 PROVIDED TO AN INSURED THE FOLLOWING STATEMENT

1 THE MAXIMUM FEE ALLOWANCE USED TO DETERMINE  
2 REIMBURSEMENT OR PAYMENT OF THE AMOUNTS CHARGED  
3 BY YOUR HEALTH CARE PROVIDER IS BASED ON FEE  
4 DATA THAT WAS LAST REVISED ON [DATE OF LAST  
5 REVISION], AND WAS DETERMINED BASED UPON  
6 [DESCRIBE SOURCE OF FEE DATA AND TIME PERIOD FOR  
7 WHICH DATA WAS COLLECTED]

8 (2) IF THE COMMISSIONER FINDS THAT AN INSURER HAS FAILED TO  
9 PROVIDE THE STATEMENT TO AN INSURED AS REQUIRED UNDER  
10 SUBSECTION (1), THE COMMISSIONER MAY ORDER THE INSURER, AFTER AN  
11 OPPORTUNITY FOR A HEARING PURSUANT TO THE ADMINISTRATIVE PROCE-  
12 DURES ACT OF 1969, ACT NO 306 OF THE PUBLIC ACTS OF 1969, BEING  
13 SECTIONS 24 201 TO 24 328 OF THE MICHIGAN COMPILED LAWS, TO PAY A  
14 CIVIL FINE OF NOT MORE THAN \$50 00 FOR EACH VIOLATION