



SENATE BILL No. 68

January 13, 1993, Introduced by Senators PRIDNIA and
O'BRIEN and referred to the Committee on Commerce.

A bill to amend section 402b of Act No. 218 of the Public
Acts of 1956, entitled as amended
"The insurance code of 1956,"
as amended by Act No. 182 of the Public Acts of 1992, being sec-
tion 500.402b of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 402b of Act No. 218 of the Public Acts
2 of 1956, as amended by Act No. 182 of the Public Acts of 1992,
3 being section 500.402b of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 402b. In this state, the following do not constitute
6 transactions of insurance within the meaning of sections 402 and
7 402a:

1 (a) Transaction of insurance under chapter 19.

2 (b) Transaction of reinsurance, except a transfer of direct
3 obligations to policyholders by assumption reinsurance or other
4 transaction to the same effect.

5 (c) Transaction of insurance on a risk not resident or
6 located in this state at the time the insurance took effect, if
7 the insurance was not written in this state.

8 (d) Transaction of group or blanket insurance or group annu-
9 ities in which a master policy was lawfully issued to an employer
10 located in another state for the benefit of employees residing in
11 this state.

12 (e) Transaction of property or casualty insurance, under the
13 same policy, on 1 or more risks resident or located both within
14 and outside this state, if, under all the circumstances of the
15 transaction, any appropriate part of the premium on the policy
16 was apportioned to this state and if the policy was lawfully
17 issued to a person resident in another state.

18 (f) Transaction of insurance as defined in sections 614 and
19 616.

20 (g) Transaction of insurance independently procured through
21 negotiations occurring entirely outside of this state.

22 (h) Transaction of insurance by a nonprofit life insurance
23 company, if the transactions involve life insurance, disability,
24 or annuity contracts issued direct from the home office of the
25 company, without agents or representatives in this state other
26 than representatives servicing life insurance, disability,
27 annuity contracts, or providing information upon request

1 concerning other products of the company, only to or for the
2 benefit of employees of nonprofit educational, scientific, or
3 religious institutions. The transactions defined in this subdi-
4 vision do not include those of a fraternal benefit society, as
5 defined in section 8164.

6 (I) TRANSACTION OF GROUP HEALTH INSURANCE AND INCIDENTAL
7 DEATH AND DISABILITY COVERAGES IF THE EMPLOYEE BENEFIT PLAN IS
8 APPROVED UNDER AND REGULATED BY FEDERAL LAW AND NEGOTIATED IN A
9 COLLECTIVE BARGAINING AGREEMENT TO COVER EMPLOYEES OF A MUNICIPAL
10 EMPLOYER WHO ARE REPRESENTED BY A LABOR ORGANIZATION AFFILIATED
11 WITH A PLAN SPONSOR.