



SENATE BILL No. 345

February 4, 1993, Introduced by Senators WARTNER, WELBORN
and MC MANUS and referred to the Committee on Commerce.

A bill to amend sections 131, 230, 601, 611, 621, 625, 641,
651, 701, 702, 741, and 827 of Act No. 317 of the Public Acts of
1969, entitled as amended

"Worker's disability compensation act of 1969,"

section 131 as amended by Act No. 28 of the Public Acts of 1987,
sections 230, 641, 701, and 741 as amended by Act No. 157 of the
Public Acts of 1990, sections 601 and 611 as amended by Act
No. 269 of the Public Acts of 1992, and section 702 as amended by
Act No. 282 of the Public Acts of 1990, being sections 418.131,
418.230, 418.601, 418.611, 418.621, 418.625, 418.641, 418.651,
418.701, 418.702, 418.741, and 418.827 of the Michigan Compiled
Laws; to add sections 700 and 701a; and to repeal certain parts
of the act.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 131, 230, 601, 611, 621, 625, 641, 651,
2 701, 702, 741, and 827 of Act No. 317 of the Public Acts of 1969,
3 section 131 as amended by Act No. 28 of the Public Acts of 1987,
4 sections 230, 641, 701, and 741 as amended by Act No. 157 of the
5 Public Acts of 1990, sections 601 and 611 as amended by Act
6 No. 269 of the Public Acts of 1992, and section 702 as amended by
7 Act No. 282 of the Public Acts of 1990, being sections 418.131,
8 418.230, 418.601, 418.611, 418.621, 418.625, 418.641, 418.651,
9 418.701, 418.702, 418.741, and 418.827 of the Michigan Compiled
10 Laws, are amended and sections 700 and 701a are added to read as
11 follows:

12 Sec. 131. (1) The right to the recovery of benefits as pro-
13 vided in this act shall be the employee's exclusive remedy
14 against the employer for a personal injury or occupational
15 disease. The only exception to this exclusive remedy is an
16 intentional tort. An intentional tort shall exist only when an
17 employee is injured as a result of a deliberate act of the
18 employer and the employer specifically intended an injury. An
19 employer shall be deemed to have intended to injure if the
20 employer had actual knowledge that an injury was certain to occur
21 and willfully disregarded that knowledge. The issue of whether
22 an act was an intentional tort shall be a question of law for the
23 court. This subsection shall not enlarge or reduce rights under
24 law.

25 (2) As used in this section and section 827, "employee"
26 includes the person injured, his or her personal representatives,
27 and any other person to whom a claim accrues by reason of the

1 injury to, or death of, the employee, and "employer" includes the
2 employer's insurer ~~—~~ AND a service agent to a self-insured
3 employer ~~—, and the accident fund~~ insofar as they furnish, or
4 fail to furnish, safety inspections or safety advisory services
5 incident to providing worker's compensation insurance or incident
6 to a self-insured employer's liability servicing contract.

7 Sec. 230. (1) Except as otherwise provided in this section,
8 the following records are confidential and exempt from disclosure
9 under the freedom of information act, Act No. 442 of the Public
10 Acts of 1976, being sections 15.231 to 15.246 of the Michigan
11 Compiled Laws:

12 (a) Records submitted by an employer to the bureau in sup-
13 port of its application for self-insured status.

14 (b) Information concerning the injury of and benefits paid
15 to an individual worker. This includes, but is not limited to,
16 all forms, records, and reports filed with or maintained by the
17 bureau ~~or the state accident fund~~ concerning the injury of or
18 benefits paid to a worker.

19 ~~(c) Financial information submitted to the state accident~~
20 ~~fund by an applicant for insurance or a policyholder pursuant to~~
21 ~~section 735 and reports, except audit reports, created by the~~
22 ~~state accident fund from this information, and reimbursement or~~
23 ~~settlement procedures, tables, manuals, or schedules maintained~~
24 ~~by the state accident fund.~~

25 (2) The bureau ~~or the state accident fund~~ may release,
26 disclose, or publish information described in subsection (1)
27 under the following circumstances:

1 (a) In the case of subsection (1)(a) or (1)(b), the bureau
2 ~~or the state accident fund~~ may disclose or publish aggregate
3 information for statistical or research purposes so long as it is
4 disclosed or published in such a way that the confidentiality of
5 information concerning individual workers and the financial
6 records of individual self-insured employers is protected. The
7 bureau ~~or the state accident fund~~ may also release individual
8 records to a recognized academic or scholarly institution for
9 research purposes if it is provided with sufficient assurance
10 that the outside individual or agency will preserve the confiden-
11 tiality of information concerning individual workers and the
12 financial records of individual self-insured employers.

13 (b) In the case of subsection (1)(b), the bureau ~~or the~~
14 ~~state accident fund~~ may release information to another govern-
15 mental agency if the governmental agency provides the bureau ~~or~~
16 ~~the state accident fund~~ with sufficient assurance that it will
17 preserve the confidentiality of the information. The other
18 agency may use this information to determine the eligibility of
19 an individual for benefits provided or regulated by that agency.
20 The bureau ~~, the state accident fund,~~ or another agency may
21 disclose the information if it determines that the individual is
22 receiving benefits to which he or she is not entitled as the
23 result of receiving more than 1 benefit at the same time.

24 (c) Except as otherwise provided, information disclosed in
25 accordance with subdivision (a) or (b) shall continue to be
26 exempt from disclosure under ~~the freedom of information act,~~
27 Act No. 442 of the Public Acts of 1976.

1 (d) In the case of subsection (1)(b), the bureau ~~or the~~
2 ~~state accident fund~~ may release individual records to a non-
3 profit health care corporation, as defined in section 105 of Act
4 No. 350 of the Public Acts of 1980, being section 550.1105 of the
5 Michigan Compiled Laws, for the sole purpose of determining
6 financial liability for the payment of benefits provided by the
7 corporation. Any information provided to the nonprofit health
8 care corporation shall be confidential, as provided in
9 section 406 of Act No. 350 of the Public Acts of 1980, being
10 section 550.1406 of the Michigan Compiled Laws. In a dispute
11 over who assumes liability for the payment of benefits for a par-
12 ticular claim, the nonprofit health care corporation shall initi-
13 ate payment of benefits pending resolution of the dispute.

14 (3) The confidentiality provided for in subsection (1) shall
15 not apply to records maintained by the bureau which are part of
16 or directly related to a contested case. For the purposes of
17 this subsection, a matter shall be considered a contested case
18 when it is the subject of a request for a formal hearing before
19 the director or an application filed in accordance with
20 section 847.

21 (4) Any employee shall be entitled to inspect and obtain a
22 copy of any record maintained by the bureau ~~or the state acci-~~
23 ~~dent fund~~ concerning himself or herself. Any employer shall be
24 entitled to inspect and obtain a copy of any record maintained by
25 the bureau ~~or the state accident fund~~ concerning itself.

26 (5) The confidentiality provided for in subsection (1)(a)
27 shall not apply to the records of a self-insured employer that

1 becomes unable to pay benefits under this act due to insolvency
2 or declaration of bankruptcy.

3 (6) This section shall not limit the power of a court of law
4 to subpoena records relevant to a matter pending before it.

5 Sec. 601. Whenever used in this act:

6 (a) "Insurer" means an organization ~~which~~ THAT transacts
7 the business of worker's compensation insurance within this
8 state.

9 (b) "Self-insurer" means either of the following:

10 (i) An individual employer authorized to carry its own
11 risk.

12 (ii) A group of employers who pool their liabilities under
13 this act as a group fund in the manner provided in section 611.

14 (c) "Carrier" means a self-insurer ~~—~~ OR an insurer. ~~— and~~
15 ~~the accident fund.~~

16 Sec. 611. (1) Each employer under this act, subject to the
17 approval of the director, shall secure the payment of compensa-
18 tion under this act by ~~—~~ EITHER of the following methods:

19 (a) By receiving authorization from the director to be a
20 self-insurer. In the case of an individual employer, the direc-
21 tor may grant that authorization upon a reasonable showing by the
22 employer of the employer's solvency and financial ability to pay
23 the compensation and benefits provided for in this act and to
24 make payments directly to the employer's employees as the employ-
25 ees become entitled to receive the payment under the terms and
26 conditions of this act and pursuant to R 408.43c of the Michigan
27 administrative code. If the director determines it to be

1 necessary, the director shall require the furnishing of a bond or
2 other security in a reasonable form and amount. Such security as
3 may be required by the director may be provided by furnishing
4 specific excess insurance, aggregate excess insurance coverage
5 through a carrier authorized to write in this state, including
6 the state accident fund, in an amount acceptable to the director,
7 a surety bond, an irrevocable letter of credit in a format
8 acceptable to the bureau, and claims payment guarantees.

9 (b) By insuring against liability with an insurer authorized
10 to transact the business of worker's compensation insurance
11 within this state.

12 ~~(c) By insuring against liability with the state accident~~
13 ~~fund.~~

14 (2) Under procedures and conditions specifically determined
15 by the director, 2 or more employers in the same industry with
16 combined assets of \$1,000,000.00 or more, or 2 or more public
17 employers of the same type of unit, may be permitted by the
18 director to enter into agreements to pool their liabilities under
19 this act for the purpose of qualifying as self-insurers. For
20 purposes of this subsection, cities, townships, counties, and
21 villages; or 1 or more of the agencies, instrumentalities, or
22 other legal entities of cities, townships, counties, or villages
23 or any combination thereof; or authorities of 1 or more of
24 cities, townships, counties, or villages or any combination
25 thereof created pursuant to law shall be considered public
26 employers of the same type of unit. An employer member of the
27 approved group shall be classified as a self-insurer. For

1 purposes of this subsection, universities and colleges, community
2 colleges, and local and intermediate school districts, shall be
3 considered public employers of the same type of unit. The direc-
4 tor may grant authorization to become a member of an approved
5 group upon a reasonable showing by an employer of the employer's
6 solvency and financial stability to meet the employer's obliga-
7 tions as a member of the group. If the director determines it to
8 be necessary, the director may require the furnishing of a surety
9 bond, fidelity bond, or other security by the group in a reason-
10 able form and amount. Such security as may be required by the
11 director may be provided by furnishing specific excess insurance,
12 aggregate excess insurance coverage through a carrier authorized
13 to write in this state, including the state accident fund, in an
14 amount acceptable to the director. An irrevocable letter of
15 credit in a format currently used by the bureau on ~~the effective~~
16 ~~date of the 1992 amendatory act that added this sentence~~
17 DECEMBER 15, 1992 or a surety bond may be furnished in place of
18 aggregate excess insurance. The current format of the irrevoca-
19 ble letter of credit used by the bureau on ~~the effective date of~~
20 ~~the 1992 amendatory act that added this sentence~~ DECEMBER 15,
21 1992 shall be acceptable until the format of the irrevocable
22 letter of credit is promulgated by rules of the bureau. If an
23 irrevocable letter of credit is proposed, the director may
24 require an independent actuarial opinion from the group fund sup-
25 porting the proposal and estimating the ultimate loss at 90% con-
26 fidence level. Assets of the fund allocated for the payment of
27 administrative expenses or set aside for claims payments shall

1 not be used as collateral for the irrevocable letter of credit.
2 Use of surplus assets as collateral shall require prior bureau
3 approval. If the director determines it to be necessary, the
4 director may obtain an independent review of the actuarial opin-
5 ion submitted by the group fund at the expense of the group fund
6 to determine the ability of the group fund to meet its obligation
7 under the terms and conditions of this act. The group fund shall
8 make available all documentation used for the actuarial report if
9 requested by the director for an independent review. An employ-
10 er, except a public employer, permitted to become a member of a
11 self-insurers' group under this act shall execute a written
12 agreement in which the employer agrees to jointly and severally
13 assume and discharge, by payment, any lawful award entered by the
14 bureau against a member of the group. If the case in which the
15 award is entered is appealed by either party, then the award
16 shall first be upheld before a member of the group may be
17 liable. In the case of a public employer that is permitted to
18 become a member of a self-insurers' group, any lawful award
19 entered by the bureau against a public employer which is a member
20 of a group, if the award is upheld on appeal, shall be a liabil-
21 ity of the group jointly but not severally and, if the group is
22 unable to pay the award, the group or the bureau shall individu-
23 ally assess those public employers who were members on the date
24 of injury to the extent necessary to pay the award. An assess-
25 ment shall be a contractual obligation of the public employer.
26 As used in this subsection, "public employer" means a city,
27 village, township, county, school district, or community college;

1 or an agency, entity, or instrumentality thereof; or an authority
2 comprised of any combination of the foregoing. This subsection
3 shall not alter the obligation of either a group or an employer
4 from complying with section 862. For purposes of this subsec-
5 tion, an authorized group self-insurer, in conjunction with pro-
6 viding security for the payment of compensation and benefits pro-
7 vided for in this act, may provide coverage customarily known as
8 employer's liability insurance for members of the group.

9 (3) For the purpose of determining whether employers are in
10 the same industry under subsection (2), the following shall
11 apply:

12 (a) The forest industry shall be considered as those busi-
13 nesses engaged in the growing, harvesting, processing, or sale of
14 forest products, except at the retail level, unless more than 80%
15 of the income from the retailer comes from the growing, harvest-
16 ing, processing, or wholesale sale of forest products, and any
17 supplier or service companies that receive more than 80% of their
18 income from these businesses.

19 (b) "Forest products" include Christmas trees, firewood,
20 maple syrup, and all other products derived from wood or wood
21 fiber which are manufactured with woodworking equipment including
22 saws, planers, drills, chippers, lumber dry kilns, sanders, glue
23 presses, nailers, notchers, shapers, lathes, molders, and other
24 similar finishing processes.

25 (4) The director may permit a nonpublic health care facility
26 employer to become a member of a self-insurers' group with public
27 employers pursuant to subsection (2) if the principal service

1 rendered by the nonpublic health care facility employer is the
2 same type of service rendered by the public employers. If a non-
3 public health care facility employer is permitted to become a
4 member of the same self-insurers' group with public employers,
5 any lawful award entered by the bureau against that nonpublic
6 health care facility employer, if the award is upheld on appeal,
7 shall be a liability of the group and, if the group is unable to
8 pay the award, the group or the bureau shall individually assess
9 those nonpublic health care facility employers who were members
10 on the date of injury to the extent necessary to pay the award.
11 The director may waive the requirement of the written agreement
12 required of a nonpublic health care facility employer under sub-
13 section (2) as to any member of a group involving a combination
14 of public and nonpublic health care facility employers. Except
15 as otherwise provided in this subsection, subsection (2) shall be
16 applicable to all self-insurers' groups and their individual
17 employer members.

18 (5) The director may decline to approve an application for
19 individual or group self-insurance or terminate the self-insured
20 privilege if the self-insurer fails to demonstrate that the
21 self-insurer will be able to meet all present and future obliga-
22 tions under this act or the self-insurer fails to maintain secur-
23 ity requirements previously imposed as a condition for approval.
24 Notice of intent to deny or terminate self-insured status shall
25 be mailed to the self-insurer. The notice shall include the
26 grounds for denial or termination. The self-insurer may request
27 a hearing before the director within 15 days after the mailing of

1 the notice by the bureau. If the recommendation for termination
2 of self-insured status is based on the self-insurer's failure to
3 maintain existing security requirements such as excess insurance,
4 letters of credit, guarantees, or surety bonds, the self-insurer
5 shall reinstate the security requirements pending the hearing.
6 Proof of such reinstatement shall accompany the request for
7 hearing. Failure to reinstate existing security requirements
8 shall allow the director to make a final decision on the evidence
9 before him or her without further hearing.

10 (6) If an appeal is taken from a decision of the director
11 made pursuant to subsection (5), the director may require the
12 self-insurer to post a surety bond, irrevocable letter of credit,
13 or other security in a reasonable amount to guarantee that money
14 will be available to pay workers' disability compensation bene-
15 fits to injured employees covered by the self-insured program.
16 Such security shall be filed with the director at the time an
17 appeal is taken to the appellate commission and shall be consis-
18 tent with the provisions of R 408.43a and R 408.43q of the
19 Michigan administrative code. If the self-insurer is a group
20 fund, the director shall review the assets and liabilities,
21 claims experience history, and future claims potential of the
22 group fund and recognize the ability of the group fund to assess
23 its membership in making a decision on the need for additional
24 security. A claim for review of the director's order or decision
25 made pursuant to subsection (5) shall be filed with the workers'
26 compensation appellate commission within 15 days after the
27 mailing date of the order or decision. If a claim for review is

1 not filed within 15 days, the aggrieved party shall be considered
2 to have waived the right to appeal. Within 15 days after service
3 of a copy of the claim for review, unless the time is extended by
4 order of the appellate commission, the bureau shall file the
5 original or certified copy of the entire record of the proceed-
6 ings, unless parties to the proceedings for review stipulate that
7 the record be shortened. A party who unreasonably refuses to so
8 stipulate may be taxed by the appellate commission for the addi-
9 tional costs of preparation. If the self-insurer disputes the
10 imposition of additional security at time of appeal, such dispute
11 shall be in the form of a motion directed to the commission
12 within 15 days after the filing of the record. The bureau's
13 reply to such motion shall be filed within 15 days after receipt
14 of appellant's motion. The commission shall act on the motion
15 within 15 days after filing of the bureau's reply to appellant's
16 motion and shall notify the parties of interest of its decision.
17 The appealing party's brief shall be filed with the appellate
18 commission 15 days after the filing of the record and a copy
19 shall be served upon the opposite party. The bureau's reply
20 brief shall be filed within 15 days after receipt of the
21 appellant's brief. Oral argument may be requested by any party
22 to the proceedings. Such request shall be in the form of a
23 motion directed to the commission within 15 days after the filing
24 of the record. The commission shall act on the motion within 15
25 days of filing the motion and shall notify the parties in inter-
26 est of its decision. Otherwise, and subsequent to the expiration
27 of 15 days, the appellate commission shall hear the case upon the

1 record and shall consider such briefs as have been filed. The
2 decision of the appellate commission shall be made within 30 days
3 after the date of the oral argument or, if no oral argument,
4 within 30 days after the date that the bureau's brief is required
5 to be filed. The appellate commission may remand the matter to
6 the bureau for purposes of supplying a complete record if it is
7 determined that the record is insufficient for purposes of
8 review. The commencement of proceedings under this section shall
9 not operate as a stay of the bureau's order including any addi-
10 tional security imposed by the director unless stayed by order of
11 the appellate commission. The commission ordered stay shall be
12 subject to such conditions as the appellate commission may
13 impose. The appellate commission shall have the jurisdiction to
14 affirm, modify, or set aside the order or decision of the
15 director. An appeal from a final order entered by the appellate
16 commission relating to a decision or order of the director to
17 deny an application for self-insurance or to terminate the
18 self-insured privilege under subsection (5) may be made by filing
19 an application for leave to appeal to the court of appeals within
20 30 days after the order.

21 (7) The director, from time to time, may review and alter a
22 decision approving the election of an employer to adopt any 1 of
23 the methods permitted by subsection (1), (2), or (4) if, in the
24 director's judgment, that action is necessary or desirable for
25 any reason.

26 (8) Under procedures and conditions specifically determined
27 by the director, an individual, partnership, or corporation

1 desiring to engage in the business of servicing an approved
2 worker's compensation self-insurance program for an individual or
3 group of employers shall make application to the director before
4 entering into a contract with the individual or group of employ-
5 ers and shall satisfy the director that the individual, partner-
6 ship, or corporation has adequate facilities and competent per-
7 sonnel to service a self-insurance program in a manner which will
8 fulfill the employer's obligations under this act.

9 Sec. 621. (1) Every contract for the insurance of the com-
10 pensation provided in this act for or against liability there-
11 fore, shall be ~~deemed to be made~~ subject to the provisions of
12 this act and provisions inconsistent with this act are void.

13 (2) ~~The accident fund and every~~ EACH insurer issuing an
14 insurance policy to cover any employer not permitted to be a
15 self-insurer under section 611 shall insure, cover, and protect
16 in one and the same insurance policy, all the businesses, employ-
17 ees, enterprises, and activities of the employer. Under proce-
18 dures and conditions specifically determined by the director, a
19 separate insurance policy may be issued to cover employers per-
20 forming work at a specified construction site if the director
21 finds that the liability under this act of each employer to all
22 his OR HER employees would at all times be fully secured and the
23 cost of construction at the site will exceed \$100,000,000.00 and
24 the contemplated completion period for the construction will be
25 10 years or less. Except as modified by the director as provided
26 for herein, each policy of insurance covering ~~workmen's~~

1 WORKER'S compensation in this state shall contain the following
2 provisions:

3 "Notwithstanding any language elsewhere contained in this
4 contract or policy of insurance, ~~the accident fund or~~ the
5 insurer issuing this policy hereby contracts and agrees with the
6 insured employer:

7 Compensation. (a) That it will pay to the persons that may
8 become entitled thereto all ~~workmen's~~ WORKER'S compensation for
9 which the insured employer may become liable under the provisions
10 of the Michigan ~~workmen's~~ WORKER'S DISABILITY compensation act
11 for all compensable injuries or compensable occupational diseases
12 happening to his OR HER employees during the life of this con-
13 tract or policy;

14 Medical services. (b) That it will furnish or cause to be
15 furnished to all employees of the employer, all reasonable medi-
16 cal, surgical, and hospital services and medicines when they are
17 needed which the employer may be obligated to furnish or cause to
18 be furnished to his OR HER employees under the provisions of the
19 Michigan ~~workmen's~~ WORKER'S DISABILITY compensation act and
20 that it will pay to the persons entitled thereto for all such
21 services and medicines when they are needed for all compensable
22 injuries or compensable occupational diseases happening to his OR
23 HER employees during the life of this contract or policy;

24 Rehabilitation services. (c) That it will furnish or cause
25 to be furnished such rehabilitation services for which the
26 insured employer may become liable to furnish or cause to be
27 furnished under the provisions of the Michigan ~~workmen's~~

1 WORKER'S DISABILITY compensation act for all compensable injuries
2 or compensable occupational diseases happening to his OR HER
3 employees during the life of this contract or policy;

4 Funeral expenses. (d) That it will pay or cause to be paid
5 the reasonable expense of the last sickness and burial of all
6 employees whose deaths are caused by compensable injuries or com-
7 pensable occupational diseases happening during the life of this
8 contract or policy and arising out of and in the course of their
9 employment with the employer, which the employer may be obligated
10 to pay under the provisions of the Michigan ~~workmen's~~ WORKER'S
11 DISABILITY compensation act;

12 Scope of contract. (e) That this insurance contract or
13 policy shall for all purposes be held and deemed to cover all the
14 businesses the said employer is engaged in at the time of the
15 issuance of this contract or policy and all other businesses, if
16 any, the employer may engage in during the life thereof, and all
17 employees the employer may employ in any of his OR HER businesses
18 during the period covered by this policy;

19 Obligations assumed. (f) That it hereby assumes all obliga-
20 tions imposed upon the employer by his OR HER acceptance of the
21 Michigan ~~workmen's~~ WORKER'S DISABILITY compensation act, as far
22 as the payment of compensation, death benefits, medical surgical,
23 hospital care or medicine and rehabilitation services is con-
24 cerned;

25 Termination notice. (g) That it will file with the bureau
26 of workmen's compensation at Lansing, Michigan, at least 20 days
27 before the taking effect of any termination or cancellation of

1 this contract or policy, a notice giving the date at which it is
2 proposed to terminate or cancel this contract or policy; and that
3 any termination of this policy shall not be effective as far as
4 the employees of the insured employer are concerned until 20 days
5 after notice of proposed termination or cancellation is received
6 by the bureau of workmen's compensation;

7 Conflicting provisions. (h) That all the provisions of this
8 contract, if any, which are not in harmony with this paragraph
9 are to be construed as modified hereby, and all conditions and
10 limitations in the policy, if any conflicting herewith are hereby
11 made null and void."

12 (3) The provisions shall be printed upon or conspicuously
13 attached to every insurance contract or policy issued by the
14 ~~accident fund or~~ insurer in type size not smaller than 10-point
15 and shall constitute a separate paragraph of the policy and any
16 provision of the policy inconsistent with the ~~said~~ undertakings
17 and agreements of the ~~accident fund or~~ insurer contained in
18 such provisions shall be null and void.

19 Sec. 625. ~~The accident fund and every~~ EACH insurer men-
20 tioned in section 611 issuing an insurance policy covering
21 ~~workmen's~~ WORKER'S compensation in this state shall file with
22 the director, within 10 days after the effective date ~~thereof~~
23 OF THE POLICY, a notice of the issuance of ~~such~~ THE policy and
24 its effective date. If the policy covers persons who would oth-
25 erwise be exempted from the provisions of this act by
26 section 115, the notice shall contain a specific statement to
27 that effect. A notice shall not be required of ~~the accident~~

1 ~~fund or any~~ AN insurer where the policy issued is a renewal of
2 the preceding policy. The ~~accident fund or~~ insurer, if it
3 refuses to accept any coverage under this act, shall do so in
4 writing.

5 Sec. 641. (1) An employer who fails to comply with the pro-
6 visions of section 611 is guilty of a misdemeanor and shall be
7 fined \$1,000.00, or imprisoned for not less than 30 days nor more
8 than 6 months, or both. Each day's failure is a separate
9 offense. Upon complaint of the director, the fines specified in
10 this section may be collected by the state in a civil action.

11 (2) The employee of an employer who violates the provisions
12 of section 171 or 611 shall be entitled to recover damages from
13 the employer in a civil action because of an injury that arose
14 out of and in the course of employment notwithstanding the provi-
15 sions of section 131.

16 (3) The director of the bureau shall have the right and
17 obligation to recover on behalf of the workplace health and
18 safety fund from an uninsured employer in a civil action the
19 amounts provided in section 723. If the employer is a corpora-
20 tion, the officers and directors of the corporation shall be
21 individually and jointly and severally liable for any portion of
22 the obligation and expenses that are not satisfied by the
23 corporation.

24 (4) Any fines collected pursuant to this section shall be
25 paid to the uninsured employer's security account within the
26 workplace health and safety fund established in sections 722 and
27 723.

1 (5) For the purposes of this section, the director shall be
2 considered a party as described in section 863.

3 (6) Subsections (3), (4), and (5) shall apply to injuries
4 that occur on or after ~~the effective date of this subsection~~
5 JUNE 29, 1990.

6 Sec. 651. Nothing in this act shall affect any existing
7 contract for employers' liability insurance or affect the organi-
8 zation of any mutual or other insurance company or any arrange-
9 ment now existing between employers and employees, providing for
10 the payment to the employees, their families, dependents or rep-
11 resentatives, sick, accident or death benefits, in addition to
12 the compensation provided for by this act. Liability for compen-
13 sation under this act shall not be reduced or affected by any
14 insurance, contribution or other benefit whatsoever, due to or
15 received by the person entitled to such compensation. ~~and the~~
16 THE person so entitled, irrespective of any insurance or other
17 contract, shall have the right to recover the same directly from
18 the employer; and in addition ~~thereto~~ the right to enforce in
19 his OR HER own name in the manner provided in this act the
20 liability of any insurance company ~~, or the accident fund,~~ who
21 may have insured, in whole or in part, the liability for such
22 compensation. Payment in whole or in part of such compensation
23 by either the employer ~~—~~ OR the insurance company carrying
24 ~~such~~ THE risk ~~or the accident fund,~~ shall be a bar, to the
25 extent ~~thereof~~ OF THE PAYMENT, to recovery against the other of
26 the amount so paid.

1 SEC. 700. AS USED IN THIS CHAPTER:

2 (A) "EFFECTIVE DATE OF THE TRANSFER" MEANS THE DATE ON WHICH
3 A TRANSFER AUTHORIZED BY SECTION 701A OCCURS.

4 (B) "PERMITTED TRANSFEREE" MEANS AN INSURER ORGANIZED PURSU-
5 ANT TO CHAPTER 51 OF THE INSURANCE CODE OF 1956, ACT NO. 218 OF
6 THE PUBLIC ACTS OF 1956, BEING SECTIONS 500.5100 TO 500.5114 OF
7 THE MICHIGAN COMPILED LAWS.

8 Sec. 701. (1) The state accident fund is created to provide
9 only worker's compensation insurance and employer's liability
10 insurance for employers UNTIL THE EFFECTIVE DATE OF THE
11 TRANSFER. The state accident fund created in 1912, with all its
12 authority, powers, duties, and functions, records, personnel,
13 property, and unexpended balances of funds, including the func-
14 tions of budgeting and procurement and management related func-
15 tions shall be transferred to and shall be an autonomous entity
16 in the department of commerce. Upon compliance with underwriting
17 standards adopted by the state accident fund, membership in and
18 coverage by the state accident fund shall be provided to employ-
19 ers subject to this act who shall request such membership and
20 coverage of the fund in writing. Thereupon the accident fund
21 shall assume charge of levying and collecting from the employers
22 such premiums or assessments as may be necessary from time to
23 time to pay the sums which become due under the provisions of
24 this act and also the expense of administration; and shall dis-
25 burse such sums in accordance with the provisions of this act.
26 The state shall not be liable or responsible for the payment of

1 claims for compensation under the provisions of this act beyond
2 the extent of the sums so collected and received.

3 (2) The chief executive officer of the state accident fund
4 shall be the executive director who shall be appointed by the
5 governor with the advice and consent of the senate who shall
6 serve at the pleasure of the governor for a term not to exceed
7 4 years OR UNTIL 1 YEAR FOLLOWING THE EFFECTIVE DATE OF THE
8 TRANSFER, WHICHEVER IS LESS.

9 (3) EXCEPT AS OTHERWISE PROVIDED IN THIS CHAPTER, AFTER THE
10 EFFECTIVE DATE OF THE TRANSFER, THE STATE ACCIDENT FUND SHALL NOT
11 TRANSACT INSURANCE IN THIS STATE, AND ALL OPERATIONS OF THE STATE
12 ACCIDENT FUND PURSUANT TO FORMER SECTIONS 705, 711A, 712, 714,
13 715, 722, 723, 725, 735, 742, 745, 746, 755, AND 756 SHALL
14 CEASE. SECTION 751 SHALL NOT APPLY IN THE EVENT OF A TRANSFER
15 AUTHORIZED BY SECTION 701A. FEES IMPOSED PURSUANT TO SECTION 713
16 SHALL ACCRUE UNTIL THE EFFECTIVE DATE OF THE TRANSFER AND SHALL
17 NOT APPLY AFTER THE EFFECTIVE DATE OF THE TRANSFER. THE PERMIT-
18 TED TRANSFEREE SHALL BE PROHIBITED FROM ASSERTING ANY CLAIM FOR A
19 TAX REFUND AGAINST THE FEES PAID IN LIEU OF TAXES BY THE STATE
20 ACCIDENT FUND PURSUANT TO SECTION 713.

21 (4) FOR A PERIOD OF NOT MORE THAN 1 YEAR AFTER THE EFFECTIVE
22 DATE OF THE TRANSFER, THE COMMISSIONER OF INSURANCE OR HIS OR HER
23 DESIGNEE SHALL BE AUTHORIZED TO WIND UP THE AFFAIRS OF THE STATE
24 ACCIDENT FUND INCLUDING, BUT NOT LIMITED TO, THE COMPLETION OF
25 RECORDS AND REPORTS REQUIRED UNDER SECTION 741 AS TO THE BUSINESS
26 OF THE STATE ACCIDENT FUND THROUGH THE EFFECTIVE DATE OF THE
27 TRANSFER.

1 SEC. 701A. (1) THE STATE ADMINISTRATIVE BOARD CREATED
2 PURSUANT TO ACT NO. 2 OF THE PUBLIC ACTS OF 1921, BEING
3 SECTIONS 17.1 TO 17.11 OF THE MICHIGAN COMPILED LAWS, MAY AUTHO-
4 RIZE THE EXECUTIVE DIRECTOR OF THE STATE ACCIDENT FUND TO ENTER
5 INTO AND CONSUMMATE, UNDER TERMS AND CONDITIONS APPROVED BY THE
6 STATE ADMINISTRATIVE BOARD, AN AGREEMENT IN THE NAME OF THE STATE
7 OF MICHIGAN FOR THE SALE OF ALL OR SUBSTANTIALLY ALL OF THE
8 ASSETS OF THE STATE ACCIDENT FUND TO A PERMITTED TRANSFEREE, AND
9 ASSUMPTION OF ALL OR SUBSTANTIALLY ALL OF THE LIABILITIES OF THE
10 STATE ACCIDENT FUND BY THE PERMITTED TRANSFEREE SUBJECT TO THE
11 FOLLOWING CONDITIONS:

12 (A) THE STATE ADMINISTRATIVE BOARD SHALL HAVE RECEIVED
13 BEFORE THE EFFECTIVE DATE OF THE TRANSFER AN OPINION OF A NATION-
14 ALLY RECOGNIZED INVESTMENT BANKING FIRM THAT THE CONSIDERATION
15 FOR THE ASSETS TO BE TRANSFERRED IS FAIR FROM A FINANCIAL POINT
16 OF VIEW.

17 (B) THE STATE ADMINISTRATIVE BOARD SHALL HAVE RECEIVED
18 BEFORE THE EFFECTIVE DATE OF THE TRANSFER AN OPINION OF A NATION-
19 ALLY RECOGNIZED ACTUARIAL FIRM THAT THE ASSETS OF THE STATE ACCI-
20 DENT FUND TRANSFERRED TO A PERMITTED TRANSFEREE ARE ADEQUATE TO
21 PERMIT THE PAYMENT OF ALL LIABILITIES UNDER POLICIES OF INSURANCE
22 ASSUMED BY THE PERMITTED TRANSFEREE BASED UPON SOUND ACTUARIAL
23 PRINCIPLES.

24 (C) THE STATE ADMINISTRATIVE BOARD SHALL HAVE DETERMINED
25 BEFORE THE EFFECTIVE DATE OF THE TRANSFER THAT THE CONSIDERATION
26 FOR THE ASSETS TO BE TRANSFERRED IS FAIR FROM A FINANCIAL POINT
27 OF VIEW AND IS SUFFICIENT SUCH THAT THE CREDIT OF THE STATE SHALL

1 NOT HAVE BEEN GRANTED TO, NOR IN AID OF ANY PERSON, ASSOCIATION,
2 OR CORPORATION, PUBLIC OR PRIVATE.

3 (D) THE STATE ADMINISTRATIVE BOARD, AS IT CONSIDERS APPRO-
4 PRIATE FROM TIME TO TIME, MAY CONSULT WITH OR RECEIVE INFORMATION
5 OR RECOMMENDATIONS FROM THE INSURANCE COMMISSIONER, FOR PURPOSES
6 OF ASSISTING THE STATE ADMINISTRATIVE BOARD IN MAKING A FINAL
7 DECISION IN EVALUATING 1 OR MORE OFFERS FROM ANY PERSON SEEKING
8 TO BECOME OR ESTABLISH A PERMITTED TRANSFEREE FOR PURPOSES OF
9 ACQUIRING THE STATE ACCIDENT FUND PURSUANT TO THIS SECTION.

10 (2) THE CONSIDERATION IN THE TRANSACTION REFERRED TO IN SUB-
11 SECTION (1) SHALL BE THE PROPERTY OF THE STATE OF MICHIGAN. THE
12 CONSIDERATION SHALL NOT BE SUBJECT TO THE ASSESSMENT OF FEES PUR-
13 SUANT TO SECTION 713. THE CONSIDERATION SHALL BE DISBURSED AS
14 FOLLOWS:

15 (A) NOT MORE THAN 1% OF THE CONSIDERATION TO A SEPARATE SEG-
16 REGATED FUND TO BE HELD BY THE STATE TREASURER AND ADMINISTERED
17 BY THE COMMISSIONER OF INSURANCE AND THE EXECUTIVE DIRECTOR OF
18 THE STATE ACCIDENT FUND FOR THE PURPOSES OF WINDING UP THE
19 AFFAIRS OF THE STATE ACCIDENT FUND PURSUANT TO SECTION 701(4).

20 (B) THE REMAINDER TO THE COUNTERCYCLICAL BUDGET AND ECONOMIC
21 STABILIZATION FUND ESTABLISHED PURSUANT TO SECTION 351 OF THE
22 MANAGEMENT AND BUDGET ACT, ACT NO. 431 OF THE PUBLIC ACTS OF
23 1984, BEING SECTION 18.1351 OF THE MICHIGAN COMPILED LAWS.

24 (3) THE STATE ADMINISTRATIVE BOARD OR THE EXECUTIVE DIRECTOR
25 OF THE STATE ACCIDENT FUND WITH THE AUTHORIZATION OF THE STATE
26 ADMINISTRATIVE BOARD, IN FURTHERANCE OF THE TRANSACTIONS
27 PERMITTED UNDER THIS SECTION, MAY DO ANY OF THE FOLLOWING:

1 (A) SELL, CONVEY, LEASE, EXCHANGE, TRANSFER, OR OTHERWISE
2 DISPOSE OF ANY REAL OR PERSONAL PROPERTY OF THE STATE ACCIDENT
3 FUND, WHEREVER SITUATED.

4 (B) SELL, EXCHANGE, TRANSFER, OR OTHERWISE DISPOSE OF BONDS
5 AND OTHER OBLIGATIONS, SHARES OR OTHER SECURITIES OR INTERESTS
6 ISSUED BY OTHERS, WHETHER ENGAGED IN SIMILAR OR DIFFERENT BUSI-
7 NESSES, OR GOVERNMENTAL OR OTHER ACTIVITIES, INCLUDING BANKING
8 CORPORATIONS OR TRUST COMPANIES.

9 (C) HAVE AND EXERCISE ALL POWERS NECESSARY OR CONVENIENT TO
10 EFFECT OR COMPLETE THE TRANSACTIONS PERMITTED UNDER THIS
11 SECTION.

12 (4) A COURT IN THIS STATE SHALL NOT HAVE JURISDICTION TO
13 ENJOIN OR OTHERWISE RESTRAIN THE TRANSFER OF ASSETS AND LIABILI-
14 TIES UNDER THIS SECTION. THE COURT OF CLAIMS SHALL HAVE EXCLU-
15 SIVE JURISDICTION OVER ANY CLAIMS ASSERTED AGAINST THE STATE OF
16 MICHIGAN ARISING OUT OF OR RELATED TO THIS SECTION.

17 (5) NO CAUSE OF ACTION ON BEHALF OF ANY HOLDER OF A POLICY
18 OF INSURANCE ISSUED BY THE STATE ACCIDENT FUND SHALL LIE AGAINST
19 THE PERMITTED TRANSFEREE ARISING OUT OF THE SALE OF ASSETS OR
20 OTHER TRANSACTIONS PERMITTED UNDER THIS SECTION, EXCEPT THAT THIS
21 SUBSECTION SHALL NOT LIMIT THE RIGHTS OR REMEDIES OF THE HOLDER
22 UNDER A POLICY OF INSURANCE ISSUED BY THE STATE ACCIDENT FUND AND
23 ASSUMED BY THE PERMITTED TRANSFEREE. NO CAUSE OF ACTION ON
24 BEHALF OF ANY HOLDER OF A POLICY OF INSURANCE ISSUED BY THE STATE
25 ACCIDENT FUND SHALL LIE AGAINST THE STATE OF MICHIGAN OR ANY
26 POLITICAL SUBDIVISION OF THE STATE ARISING OUT OF THE SALE OF
27 ASSETS OR OTHER TRANSACTIONS PERMITTED UNDER THIS SECTION, OR

1 ARISING UNDER POLICIES OF INSURANCE ISSUED BY THE STATE ACCIDENT
2 FUND.

3 (6) EXCEPT FOR TAXES OTHERWISE IMPOSED BY THE STATE OF
4 MICHIGAN OR ANY POLITICAL SUBDIVISION OF THE STATE OR ANY FEES
5 IMPOSED PURSUANT TO SECTION 713, THE SALE OF ASSETS PERMITTED
6 UNDER THIS SECTION SHALL BE FREE AND CLEAR OF ANY LIENS, CLAIMS,
7 OR INTERESTS OF THE STATE OF MICHIGAN OR ANY PERSON CLAIMING
8 THROUGH OR UNDER THE STATE OF MICHIGAN.

9 (7) THE STATE ADMINISTRATIVE BOARD FOR AND ON BEHALF OF THE
10 STATE OF MICHIGAN SHALL HAVE THE RIGHT IN ITS SOLE AND ABSOLUTE
11 DISCRETION TO EVALUATE THE TERMS AND CONDITIONS OF ANY PROPOSAL
12 FOR THE SALE OF THE STATE ACCIDENT FUND ON THE BASIS OF ITS OWN
13 CRITERIA AND TO REJECT ANY OR ALL PROPOSALS WITHOUT ASSIGNING ANY
14 REASONS. THE STATE ADMINISTRATIVE BOARD FOR AND ON BEHALF OF THE
15 STATE OF MICHIGAN EXPRESSLY RESERVES THE RIGHT WITHOUT GIVING ANY
16 REASONS AND WITHOUT ANY LIABILITY THEREFOR, AT ANY TIME AND IN
17 ANY RESPECT, TO AMEND OR TERMINATE ANY ACTIVITIES WITH RESPECT TO
18 THE SALE OF THE STATE ACCIDENT FUND, COMMENCE OR TERMINATE DIS-
19 CUSSIONS WITH ANY OR ALL PERSONS SEEKING TO PURCHASE THE STATE
20 ACCIDENT FUND, REJECT ANY OR ALL PROPOSALS TO ACQUIRE THE STATE
21 ACCIDENT FUND, AND TO NEGOTIATE AND CONSUMMATE THE SALE OF THE
22 STATE ACCIDENT FUND WITH ANY PERSON.

23 (8) NOTHING IN THIS SECTION SHALL REQUIRE THE STATE ADMINIS-
24 TRATIVE BOARD TO APPROVE OR AUTHORIZE ANY TRANSACTION FOR THE
25 SALE OF THE STATE ACCIDENT FUND.

26 Sec. 702. (1) If the suburban mobility authority regional
27 transportation authority created pursuant to THE METROPOLITAN

1 TRANSPORTATION AUTHORITIES ACT OF 1967, Act No. 204 of the Public
2 Acts of 1967, as amended, being sections 124.401 to 124.426 of
3 the Michigan Compiled Laws, an authority created by interlocal
4 agreement pursuant to the urban cooperation act of 1967, Act
5 No. 7 of the Public Acts of the Extra Session of 1967, being
6 sections 124.501 to 124.512 of the Michigan Compiled Laws, an
7 authority created pursuant to the public transportation authority
8 act, Act No. 196 of the Public Acts of 1986, being
9 sections 124.451 to 124.479 of the Michigan Compiled Laws, a met-
10 ropolitan council established pursuant to THE METROPOLITAN COUN-
11 CIL ACT, Act No. 292 of the Public Acts of 1989, being
12 sections 124.651 to 124.685 of the Michigan Compiled Laws, an
13 authority or a municipal corporation that has entered into an
14 intergovernmental contract to provide transportation services
15 pursuant to Act No. 35 of the Public Acts of 1951, being
16 sections 124.1 to 124.13 of the Michigan Compiled Laws, or Act
17 No. 55 of the Public Acts of 1963, being sections 124.351 to
18 124.359 of the Michigan Compiled Laws, or an authority created
19 pursuant to Act No. 55 of the Public Acts of 1963, as amended,
20 being sections 124.351 to 124.359 of the Michigan Compiled Laws,
21 ceases to operate or is dissolved, and a successor agency is not
22 created to assume its assets, liabilities, and perform its func-
23 tions, and if the authority is authorized to secure the payment
24 of compensation under section 611(1)(a), then the state hereby
25 guarantees the payment of claims for benefits arising under this
26 act against the authority. Payment of claims by the state under
27 this section shall be made from the general fund.

1 (2) The ~~accident fund~~ PLACEMENT FACILITY shall RANDOMLY
2 ASSIGN A CARRIER LICENSED TO WRITE WORKER'S DISABILITY COMPENSA-
3 TION INSURANCE TO determine in detail as the director of the
4 department of management and budget may require the amount neces-
5 sary to pay the claims for benefits for which the state is
6 responsible pursuant to subsection (1). The ~~accident fund~~
7 CARRIER SO ASSIGNED shall be responsible for ~~the~~ processing of
8 these claims and shall be compensated for its services in the
9 same manner as for processing the claims of state employees.

10 (3) The state shall be entitled to a lien which shall take
11 precedence over all other liens on its portion of the assets of
12 the authority in satisfaction of the payment of claims for bene-
13 fits under this section.

14 (4) This section shall not be construed to permit the use of
15 state funds for the payment of private obligations. Therefore,
16 if an authority created pursuant to Act No. 204 of the Public
17 Acts of 1987, being sections 124.401 to 124.426 of the Michigan
18 Compiled Laws, Act No. 7 of the Public Acts of the Extra Session
19 of 1967, being sections 124.501 to 124.512 of the Michigan
20 Compiled Laws, Act No. 196 of the Public Acts of 1986, being
21 sections 124.451 to 124.479 of the Michigan Compiled Laws, a met-
22 ropolitan council established pursuant to Act No. 292 of the
23 Public Acts of 1989, being sections 124.651 to 124.685 of the
24 Michigan Compiled Laws, an authority or a municipal corporation
25 that has entered into an intergovernmental contract to provide
26 transportation services pursuant to Act No. 35 of the Public Acts
27 of 1951, being sections 124.1 to 124.13 of the Michigan Compiled

1 Laws, or Act No. 55 of the Public Acts of 1963, being sections
2 124.351 to 124.359 of the Michigan Compiled Laws, delegates to a
3 private employer or contracts with a private employer for the
4 performance of any of the functions permitted under its enabling
5 statute, the director shall no longer permit the authority or
6 agency to be self-insured under this act.

7 Sec. 741. (1) ~~The~~ SUBJECT TO THE CONDITIONS DESCRIBED IN
8 SECTION 701(4), THE executive director shall keep complete
9 records of all business transacted by him or her in the adminis-
10 tration of the accident fund. He or she shall be an independent
11 appointing authority and may employ such deputies and assistants
12 and clerical help consistent with civil service rules as may be
13 necessary, for the proper administration of the state accident
14 fund and the performance of the duties imposed upon him or her by
15 the provisions of this act. All salaries and expenses shall be
16 charged to and paid out of the state accident fund UNTIL THE
17 EFFECTIVE DATE OF THE TRANSFER.

18 (2) The executive director shall make an annual report AND A
19 FINAL REPORT WITHIN 6 MONTHS AFTER THE EFFECTIVE DATE OF THE
20 TRANSFER to the governor, the legislature, and to the policyhold-
21 ers that shall include a full and correct statement of the admin-
22 istration of the state accident fund, showing its financial
23 status and outstanding obligations, and any other information
24 considered appropriate.

25 Sec. 827. (1) Where the injury for which compensation is
26 payable under this act was caused under circumstances creating a
27 legal liability in some person other than a natural person in the

1 same employ or the employer to pay damages in respect thereof,
2 the acceptance of compensation benefits or the taking of proceed-
3 ings to enforce compensation payments shall not act as an elec-
4 tion of remedies but the injured employee or his OR HER depen-
5 dents or personal representative may also proceed to enforce the
6 liability of the third party for damages in accordance with ~~the~~
7 ~~provisions of~~ this section. If the injured employee or his OR
8 HER dependents or personal representative does not commence the
9 action within 1 year after the occurrence of the personal injury,
10 then the employer or carrier, within the period of time for the
11 commencement of actions prescribed by statute, may enforce the
12 liability of such other person in the name of that person. Not
13 less than 30 days before the commencement of action by any party
14 under this section, the parties shall notify, by certified mail
15 at their last known address, the bureau, the injured employee, or
16 in the event of ~~his~~ THE EMPLOYEE'S death, his OR HER known
17 dependents or personal representative or ~~his~~ known next of kin,
18 his OR HER employer, and the carrier. Any party in interest
19 shall have a right to join in the action.

20 (2) Prior to the entry of judgment, either the employer or
21 carrier or the employee or ~~his~~ THE EMPLOYEE'S personal repre-
22 sentative may settle their claims as their interest shall appear
23 and may execute releases therefor.

24 (3) Settlement and release by the employee is not a bar to
25 action by the employer or carrier to proceed against the third
26 party for any interest or claim it might have.

1 (4) If the injured employee or his OR HER dependents or
2 personal representative settle their claim for injury or death or
3 commence proceedings thereon against the third party before the
4 payment of ~~workmen's~~ WORKER'S compensation, such recovery or
5 commencement of proceedings shall not act as an election of reme-
6 dies and any moneys so recovered shall be applied as herein
7 provided.

8 (5) In an action to enforce the liability of a third party,
9 the plaintiff may recover any amount which the employee or his OR
10 HER dependents or personal representative would be entitled to
11 recover in an action in tort. Any recovery against the third
12 party for damages resulting from personal injuries or death only,
13 after deducting expenses of recovery, shall first reimburse the
14 employer or carrier for any amounts paid or payable under this
15 act to date of recovery and the balance shall ~~forthwith~~
16 IMMEDIATELY be paid to the employee or his OR HER dependents or
17 personal representative and shall be treated as an advance pay-
18 ment by the employer on account of any future payments of compen-
19 sation benefits.

20 (6) Expenses of recovery shall be the reasonable expendi-
21 tures, including attorney fees, incurred in effecting recovery.
22 Attorney fees, unless otherwise agreed upon, shall be divided
23 among the attorneys for the plaintiff as directed by the court.
24 Expenses of recovery shall be apportioned by the court between
25 the parties as their interests appear at the time of the
26 recovery.

1 (7) Compensation benefits referred to in this section shall
2 in each instance include but not be limited to all expenses
3 incurred under sections 315 and 345.

4 (8) The furnishing of, or failure to furnish, safety inspec-
5 tions or safety advisory services incident to providing
6 ~~workmen's~~ WORKER'S compensation insurance, or pursuant to a
7 contract providing for safety inspections or safety advisory
8 services between the employer and a self-insurance service orga-
9 nization or a union shall not subject the insurer ~~—~~ OR
10 self-insured service organization, ~~or the accident fund,~~ or
11 their agents or employees, or the union, its members or the mem-
12 bers of its safety committee, to third party liability for dam-
13 ages for injury, death or loss resulting therefrom.

14 Section 2. Sections 705, 711a, 712, 714, 715, 725, 735,
15 742, 745, 746, 755, and 756 of Act No. 317 of the Public Acts of
16 1969, being sections 418.705, 418.711a, 418.712, 418.714,
17 418.715, 418.725, 418.735, 418.742, 418.745, 418.746, 418.755,
18 and 418.756 of the Michigan Compiled Laws, are repealed.

19 Section 3. This amendatory act shall not take effect unless
20 the state administrative board certifies in writing to the secre-
21 tary of state by December 31, 1994 that an agreement for the
22 transfer of all or substantially all of the assets and the
23 assumption of all or substantially all of the liabilities of the
24 state accident fund has been consummated with a permitted trans-
25 feree pursuant to the requirements of section 701a of the
26 worker's disability compensation act of 1969, Act No. 317 of the

1 Public Acts of 1969, being section 418.701a of the Michigan
2 Compiled Laws.

3 Section 4. This amendatory act shall not take effect unless
4 all of the following bills of the 87th Legislature are enacted
5 into law:

6 (a) Senate Bill No. 48.

7

8 (b) Senate Bill No. 49.

9

10 (c) Senate Bill No. 50.

11

12 (d) Senate Bill No. 51.

13

14 (e) Senate Bill No. 52.

15

16 (f) Senate Bill No. 346.

17