

SENATE BILL NO. 514

May 21, 1997, Introduced by Senators SHUGARS and DUNASKISS
and referred to the Committee on Health Policy and Senior
Citizens.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 2213b (MCL 500.2213b), as added by 1996
PA 517.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2213b. (1) Except as provided in this section, an
2 insurer that delivers, issues for delivery, or renews in this
3 state an expense-incurred hospital, medical, or surgical individ-
4 ual policy under chapter 34 shall renew or continue in force the
5 policy at the option of the individual.

6 (2) Except as provided in this section, an insurer that
7 delivers, issues for delivery, or renews in this state an
8 expense-incurred hospital, medical, or surgical group policy or
9 certificate under chapter 36 shall renew or continue in force the
10 policy or certificate at the option of the sponsor of the plan.

1 (3) Guaranteed renewal is not required in cases of fraud,
2 intentional misrepresentation of material fact, lack of payment,
3 if the insurer no longer offers that particular type of coverage
4 in the market, or if the individual or group moves outside the
5 service area.

6 (4) THIS SECTION DOES NOT APPLY TO ANY POLICY OR CERTIFICATE
7 THAT PROVIDES COVERAGE FOR SPECIFIC DISEASES OR ACCIDENTS ONLY,
8 OR TO ANY HOSPITAL INDEMNITY, MEDICARE SUPPLEMENT, LONG-TERM
9 CARE, DISABILITY INCOME, OR 1-TIME LIMITED DURATION POLICY OR
10 CERTIFICATE OF NO LONGER THAN 6 MONTHS.