

Act No. 58
Public Acts of 2003
Approved by the Governor
July 11, 2003
Filed with the Secretary of State
July 14, 2003
EFFECTIVE DATE: July 15, 2003

**STATE OF MICHIGAN
92ND LEGISLATURE
REGULAR SESSION OF 2003**

Introduced by Rep. Robertson

ENROLLED HOUSE BILL No. 4280

AN ACT to amend 1980 PA 350, entitled "An act to provide for the incorporation of nonprofit health care corporations; to provide their rights, powers, and immunities; to prescribe the powers and duties of certain state officers relative to the exercise of those rights, powers, and immunities; to prescribe certain conditions for the transaction of business by those corporations in this state; to define the relationship of health care providers to nonprofit health care corporations and to specify their rights, powers, and immunities with respect thereto; to provide for a Michigan caring program; to provide for the regulation and supervision of nonprofit health care corporations by the commissioner of insurance; to prescribe powers and duties of certain other state officers with respect to the regulation and supervision of nonprofit health care corporations; to provide for the imposition of a regulatory fee; to regulate the merger or consolidation of certain corporations; to prescribe an expeditious and effective procedure for the maintenance and conduct of certain administrative appeals relative to provider class plans; to provide for certain administrative hearings relative to rates for health care benefits; to provide for certain causes of action; to prescribe penalties and to provide civil fines for violations of this act; and to repeal certain acts and parts of acts," (MCL 550.1101 to 550.1704) by adding sections 420a, 422a, and 422b.

The People of the State of Michigan enact:

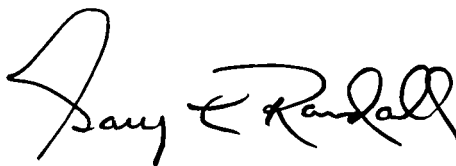
Sec. 420a. A health care corporation shall only offer long-term care coverage through a subsidiary of the health care corporation. If a health care corporation subsidiary offers long-term care coverage in this state, the sale of that coverage is not exempt from taxation by this state or any political subdivision of this state.

Sec. 422a. A health care corporation subsidiary may use an application form for long-term care coverage that is designed to elicit the complete health history of an applicant.

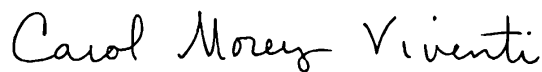
Sec. 422b. A health care corporation subsidiary may charge a different rate based on age for the same long-term care coverage if the rate differential is based on sound actuarial principles and a reasonable classification system and is related to actual and credible loss statistics or, for new coverages, is related to reasonably anticipated experience.

Enacting section 1. This amendatory act does not take effect unless Senate Bill No. 234 of the 92nd Legislature is enacted into law.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor