



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 6194 (Substitute H-1 as passed by the House)
House Bill 6195 (Substitute H-1 as passed by the House)
House Bill 6196 (Substitute H-1 as passed by the House)
Sponsor: Representative Leslie Mortimer (H.B. 6194 & 6196)
Representative Dave Hildenbrand (H.B. 6195)
House Committee: Insurance

CONTENT

House Bill 6194 (H-1) would amend the Insurance Code to require the board of directors of a domestic insurer to meet at least four times yearly in person or by means of electronic communication devices that would enable all participants in a meeting to communicate with each other. The bill also would require each director, when elected or appointed, to take an oath that he or she would diligently and honestly perform the duties of the office and would not knowingly violate any provisions of the Code, or knowingly permit them to be violated.

House Bill 6195 (H-1) would amend the Code to provide that, unless prohibited by the articles of incorporation or bylaws, action required or permitted to be taken under authorization voted at a meeting of a board of directors or a committee of the board could be taken without a meeting, if all members of the board or committee consented to the action in writing or by electronic communication before or after the action.

House Bill 6196 (H-1) would delete provisions of the Code that do the following:

- Prohibit an insurer from making an agreement with any of its officers, directors, or salaried employees that for any services rendered he or she will receive any salary or compensation that will extend beyond 12 months from the date of the agreement.
- Prohibit an insurer from granting a pension to any officer or director, or to any member of his or her family after the officer's or director's death, but allow an insurer to provide a pension payable at retirement and life insurance benefits payable upon death pursuant to a retirement plan adopted by the board of directors and approved by the Commissioner of the Office of Financial and Insurance Services.
- Permit an insurer to provide medical benefits to salaried officers and employees and their dependents during the officers' or employees' retirement pursuant to an approved plan.

The three bills are tie-barred to each other.

MCL 500.5238 (H.B. 6194)
500.5245 (H.B. 6195)
500.5248 (H.B. 6196)

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bills would have no fiscal impact on State or local government.

Date Completed: 6-27-06

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Analysis available @ <http://www.michiganlegislature.org>

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