

# Legislative Analysis

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## **BCBSM: ALLOW SUBSIDIARIES TO MARKET OR TRANSACT VARIOUS LINES OF INSURANCE**

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### **House Bill 5284**

**Sponsor: Rep. Barbara Farrah**

### **House Bill 5285**

**Sponsor: Rep. Joe Hune**

**Committee: Insurance**

**Complete to 10-16-07**

## **A SUMMARY OF HOUSE BILLS 5284 AND 5285 AS INTRODUCED 10-11-07**

House Bill 5284 would amend the Nonprofit Health Care Corporation Reform Act (MCL 550.1202 et al.), which regulates Blue Cross and Blue Shield of Michigan. The bill would specify that a subsidiary of BCBSM could market or transact any type of insurance described in Chapter 6 of the Insurance Code if authorized by a certificate of authority granted to it by the commissioner. This would include life, automobile, property and casualty, and other kinds of insurance.

The bill also amends the Section 202 of the act, which describes the purposes of the corporation, to add that the corporation could own subsidiary corporations that are organized under other acts and have other and different purposes, so long as those other and different purposes are not prohibited by law.

The bill also strikes language that limits the subsidiary that was created when the BCBSM acquired the State Accident Fund to selling workers' compensation-related insurance.

House Bill 5285 would amend the Insurance Code (MCL 500.5104) to strike similar language regarding the workers' compensation subsidiary.

## **FISCAL IMPACT:**

There is no fiscal impact on the State of Michigan or its local units of government.

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