

HOUSE BILL No. 4663

June 2, 2015, Introduced by Rep. Runestad and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 2213b (MCL 500.2213b), as amended by 2013 PA 5.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

6 (2) Except as otherwise provided in this section, an insurer
7 that 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.

11 (3) Guaranteed renewal is not required in cases of fraud,

1 intentional misrepresentation of material fact, lack of payment, if
2 the insurer no longer offers that particular type of coverage in
3 the market, or if the individual or group moves outside the service
4 area.

5 (4) An insurer or health maintenance organization that offers
6 an expense-incurred hospital, medical, or surgical policy under
7 chapter 34 or 36 shall not discontinue offering a particular plan
8 or product in the nongroup or group market unless the insurer or
9 health maintenance organization does all of the following:

10 (a) Provides notice to the ~~commissioner~~**DIRECTOR** and to each
11 covered individual or group, as applicable, provided coverage under
12 the plan or product of the discontinuation at least 90 days before
13 the date of the discontinuation.

14 (b) Offers to each covered individual or group, as applicable,
15 provided coverage under the plan or product the option to purchase
16 any other plan or product currently being offered in the nongroup
17 market or group market, as applicable, by that insurer or health
18 maintenance organization without excluding or limiting coverage for
19 a preexisting condition or providing a waiting period.

20 (c) Acts uniformly without regard to any health status factor
21 of enrolled individuals or individuals who may become eligible for
22 coverage in making the determination to discontinue coverage and in
23 offering other plans or products.

24 (5) An insurer or health maintenance organization shall not
25 discontinue offering all coverage in the nongroup or group market
26 unless the insurer or health maintenance organization does all of
27 the following:

1 (a) Provides notice to the ~~commissioner~~**DIRECTOR** and to each
2 covered individual or group, as applicable, of the discontinuation
3 at least 180 days before the date of the expiration of coverage.

4 (b) Discontinues all health benefit plans issued in the
5 nongroup or group market from which the insurer or health
6 maintenance organization withdrew and does not renew coverage under
7 those plans.

8 (6) If an insurer or health maintenance organization
9 discontinues coverage under subsection (5), the insurer or health
10 maintenance organization shall not provide for the issuance of any
11 health benefit plans in the nongroup or group market from which the
12 insurer or health maintenance organization withdrew during the 5-
13 year period beginning on the date of the discontinuation of the
14 last plan not renewed under that subsection.

15 (7) Subsections (1) to (6) do not apply to a short-term or 1-
16 time limited duration policy or certificate of no longer than 6
17 months.

18 (8) For the purposes of this section and section 3406f, a
19 short-term or 1-time limited duration policy or certificate of no
20 longer than 6 months is an individual health policy that meets all
21 of the following:

22 (a) Is issued to provide coverage for a period of 185 days or
23 less, except that the health policy may permit a limited extension
24 of benefits after the date the policy ended solely for expenses
25 attributable to a condition for which a covered person incurred
26 expenses during the term of the policy.

27 (b) Is nonrenewable, provided that the health insurer may

1 provide coverage for 1 or more subsequent periods that satisfy
2 subdivision (a), if the total of the periods of coverage do not
3 exceed a total of 185 days out of any 365-day period, plus any
4 additional days permitted by the policy for a condition for which a
5 covered person incurred expenses during the term of the policy.

6 (c) Does not cover any preexisting conditions.

7 (d) Is available with an immediate effective date, without
8 underwriting, upon receipt by the insurer of a completed
9 application indicating eligibility under the ~~health~~-insurer's
10 eligibility requirements, except that coverage that includes
11 optional benefits may be offered on a basis that does not meet this
12 requirement.

13 (9) By March 31 each year, an insurer that delivers, issues
14 for delivery, or renews in this state a short-term or 1-time
15 limited duration policy or certificate of no longer than 6 months
16 shall provide to the ~~commissioner~~**DIRECTOR** a written annual report
17 that discloses both of the following:

18 (a) The gross written premium for short-term or 1-time limited
19 duration policies or certificates issued in this state during the
20 preceding calendar year.

21 (b) The gross written premium for all individual expense-
22 incurred hospital, medical, or surgical policies or certificates
23 issued or delivered in this state during the preceding calendar
24 year other than policies or certificates described in subdivision
25 (a).

26 (10) The ~~commissioner~~**DIRECTOR** shall maintain copies of
27 reports prepared pursuant to ~~UNDER~~ subsection (9) on file with the

1 annual statement of each reporting insurer. ~~The commissioner shall~~
2 ~~annually compile the reports received under subsection (9). The~~
3 ~~commissioner shall provide this annual compilation to the senate~~
4 ~~and house of representatives standing committees on insurance~~
5 ~~issues no later than the June 1 immediately following the March 31~~
6 ~~date for which the reports under subsection (9) are provided.~~

7 (11) In each calendar year, a ~~health~~ **AN** insurer shall not
8 continue to issue short-term or 1-time limited duration policies or
9 certificates if to do so the collective gross written premiums on
10 those policies or certificates would total more than 10% of the
11 collective gross written premiums for all individual expense-
12 incurred hospital, medical, or surgical policies or certificates
13 issued or delivered in this state either directly by that insurer
14 or through a ~~corporation~~ **AN ENTITY** that owns or is owned by that
15 insurer.

16 Enacting section 1. This amendatory act takes effect 90 days
17 after the date it is enacted into law.