

# Legislative Analysis



## ELIMINATE ELECTRONIC INSURANCE MEETING SUNSETS AND RESTORE PROVISIONS

Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 101 as reported from committee**

**Sponsor: Sen. Sarah Anthony**

**House Committee: Insurance and Financial Services**

**Senate Committee: Health Policy**

**Revised 4-20-23**

Analysis available at  
<http://www.legislature.mi.gov>

*(Enacted as Public Act 28 of 2023)*

### SUMMARY:

Senate Bill 101 would amend the Insurance Code to restore provisions allowing stockholders or directors of insurance corporations to conduct certain business through electronic means.

Under provisions implemented during the COVID-19 pandemic,<sup>1</sup> stockholders, members, or directors of an insurance corporation were able to participate in or conduct a regular or special meeting of the board or a committee of the board and be considered present at the meeting. They were also able to meet by electronic means to amend the corporation's bylaws to allow for meetings by electronic means. All of these provisions expired on September 30, 2022.

The bill would eliminate these sunsets (expiration dates) and restore these provisions.

MCL 500.5228, 500.5230, and 500.5245

### BRIEF DISCUSSION:

According to House committee testimony, insurance companies saw increased participation among board members when allowed to conduct meetings electronically. Supporters of the bill argue that allowing electronic participation as an option affords greater flexibility, reduces costs and creates efficiencies, and provides greater access and opportunity for input to members of the public as well as board members of the corporation.

Critics of the legislation have raised concerns that continuing to allow virtual participation by members of an insurance board could create opportunities for members to participate without giving necessary attention to the items before them. They have also argued that time should be taken to consider potential safety parameters for remote meetings while maintaining the opportunity for the public to participate in the meetings.

### FISCAL IMPACT:

Senate Bill 101 would not have a fiscal impact on any units of state or local government.

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<sup>1</sup> <http://legislature.mi.gov/doc.aspx?2019-HB-4508>

## POSITIONS:

A representative of Blue Cross Blue Shield of Michigan testified in support of the bill.  
(3-23-23)

The following entities indicated support for the bill (3-23-23):

- Department of Insurance and Financial Services
- Insurance Alliance of Michigan
- Michigan Association of Health Plans
- Farm Bureau

Legislative Analyst: Alex Stegbauer  
Fiscal Analyst: Marcus Coffin

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■ This analysis was prepared by nonpartisan House Fiscal Agency staff for use by House members in their deliberations and does not constitute an official statement of legislative intent.