

Act No. 254
Public Acts of 2024
Approved by the Governor
January 21, 2025
Filed with the Secretary of State
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**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2024**

Introduced by Reps. Rogers, Roth, Brabec, Koleszar, Brixie, Paiz, Edwards, Bierlein, McKinney, Hill, McFall, Xiong, Haadsma, Rheingans, Hope, Steckloff, Tsernoglou, Fitzgerald, Hood, Price, Outman, Brenda Carter, Arbit, Scott and Aiyash

ENROLLED HOUSE BILL No. 5825

AN ACT to amend 1956 PA 218, entitled “An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker’s compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act,” (MCL 500.100 to 500.8302) by adding section 3406jj.

The People of the State of Michigan enact:

Sec. 3406jj. (1) An insurer that delivers, issues for delivery, or renews in this state a health insurance policy shall issue rebates to its insured in accordance with 42 USC 300gg-18 and the regulations promulgated under

that section of law if the insurer does not meet the medical loss ratio as required by the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152, and the regulations promulgated under that section. An insurer described in this subsection that complies with the applicable federal medical loss ratio calculation and provision of rebates requirements is considered to meet the requirements under this section. An insurer described in this subsection that reports its medical loss ratio calculation and other rebate information to the United States Department of Health and Human Services shall concurrently file that information with the department.

(2) This section does not apply to a health insurance policy that is not required to issue rebates under the patient protection and affordable care act, Public Law 111-148, as amended by the health care and education reconciliation act of 2010, Public Law 111-152, including plans that cover retirees as described in 29 USC 1191a(a).

(3) This section does not apply to grandfathered health plan coverage as that term is defined in 45 CFR 147.140.


Clerk of the House of Representatives


Secretary of the Senate

Approved _____

Governor