

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.116 Additional definitions.

Sec. 116. As used in this act:

(a) "Enrollee" means an individual who is entitled to receive health services under a health insurance contract, unless the context requires otherwise.

(b) "Hazardous to policyholders, creditors, and the public" means that an insurer, with respect to the financial condition of its business, is not safe, reliable, and entitled to public confidence.

(c) "In the reasonable exercise of discretion" means that an order, decision, determination, finding, ruling, opinion, action, or inaction was based upon facts reasonably found to exist and was not inconsistent with generally acceptable standards and practices of those knowledgeable in the field in question.

(d) "Insurance policy" or "insurance contract" means a contract of insurance, indemnity, suretyship, or annuity issued or proposed or intended for issuance by a person engaged in the business of insurance. Unless the context requires otherwise, insurance contract includes a health maintenance contract, as that term is defined in section 3501.

(e) "Insurance producer" means that term as defined in section 1201.

(f) "Large employer" means an employer that is not a small employer as defined in section 3701.

(g) "Participating provider" means a provider that, under contract with an insurer that issues policies of health insurance or with such an insurer's contractor or subcontractor, has agreed to provide health care services to covered individuals and to accept payment by the insurer, contractor, or subcontractor for covered services as payment in full, other than coinsurance, copayments, or deductibles.

(h) "Safe, reliable, and entitled to public confidence" means that an insurer meets all of the following:

(i) With respect to its financial standards and conduct and discharge of its obligations to policyholders and creditors, has complied and continues to comply with the specific requirements of this act and, if relevant, the insurance codes or acts of its state of domicile and other states in which it is authorized to conduct an insurance business.

(ii) Has made and continues to make reasonable financial provisions and apply sound insurance principles so as to provide reasonable margins of financial safety with respect to the insurance and other obligations it has assumed and continues to assume such that the insurer will be able to discharge those obligations under any reasonable conditions and contingencies taking into account without limitation reasonably anticipated contingencies, including those affecting changes in the projections of liabilities, fluctuations in value of assets, alterations in projections as to when obligations may become due, and expected and unexpected new claims with respect to obligations.

(i) "Service area" means that term as defined in section 3501, unless the context requires otherwise.

(j) Except as used in chapters 24, 26, 72, 76, and 81, "subscriber" means an individual who enters into an insurance contract for health insurance, or on whose behalf an insurance contract for health insurance is entered into, with an insurer.

History: Add. 1992, Act 182, Imd. Eff. Oct. 1, 1992;—Am. 2016, Act 276, Imd. Eff. July 1, 2016.

Popular name: Act 218

Popular name: Essential Insurance