

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

500.3402c Family expense insurance policy.

Sec. 3402c. (1) For purposes of this chapter, family expense insurance is accident and health insurance that is written under 1 policy issued to the head of a family who may be either spouse and that insures the head of the family and 1 or more dependents, including a nondependent spouse. Benefits under a family expense insurance policy, except as applied to the head of the family, do not include indemnification for loss of time from any cause.

(2) An insurer authorized to write accident and health insurance in this state may issue family expense insurance policies.

(3) An insurer shall not deliver or issue for delivery in this state a family expense insurance policy unless a copy of the form of the policy is filed with and approved by the director.

(4) An insurer shall include in a family expense insurance policy the applicable provisions of sections 3406 to 3466 and all of the following provisions:

(a) That the policy and the application signed by the individual acting as the head of the family for the purpose of family expense insurance constitute the entire contract between the parties. The insurer's identification of what constitutes the entire contract creates a rebuttable presumption that the identified items are the entire contract.

(b) That a statement made by the head of the family, in the absence of fraud, is a representation and not a warranty. An insurer shall not use a statement made by the head of the family as a defense to a claim under the policy, unless the statement is contained in a written application.

(c) That new members of the family who are eligible, on application of the head of the family, will be added to the family group originally insured.

(5) A family expense insurance policy is subject to sections 3474 and 3474a.

History: Add. 2016, Act 276, Imd. Eff. July 1, 2016.

Compiler's note: Enacting section 3 of Act 276 of 2016 provides:

"Enacting section 3. On the effective date of this amendatory act, an insurer may submit to the director of the department of insurance and financial services for approval any modification to policies and certificates that were approved before or on the effective date of this amendatory act, to conform with amendments made to the insurance code of 1956, 1956 PA 218, MCL 500.100 to 500.8302, by this amendatory act. This enacting section does not apply to rates and rating methodologies."

Popular name: Act 218