

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

500.3835 Marketing procedures; determining appropriateness of recommended purchase or replacement; more than 1 policy prohibited; individual enrolled in medicare advantage; "notice to buyer" displayed.

Sec. 3835. (1) An insurer that markets Medicare supplement insurance coverage in this state directly or through its agents shall do all of the following:

(a) Establish marketing procedures to ensure that any comparison of policies by its agents will be fair and accurate.

(b) Establish marketing procedures to ensure excessive insurance is not sold or issued.

(c) Inquire and otherwise make every reasonable effort to identify whether a prospective applicant for Medicare supplement insurance already has health coverage.

(d) Establish auditable procedures for verifying compliance with this subsection.

(2) In recommending the purchase or replacement of any Medicare supplement coverage, an agent shall make reasonable efforts to determine the appropriateness of a recommended purchase or replacement.

(3) Any sale of Medicare supplement coverage that will provide an individual with more than 1 Medicare supplement policy, certificate, or contract is prohibited.

(4) An insurer shall not issue a Medicare supplement policy or certificate to an individual enrolled in Medicare advantage unless the effective date of the coverage is after the termination date of the individual's Medicare advantage coverage.

(5) A medical supplement policy must display prominently by type, stamp, or other appropriate means, on the first page of the policy the following: "Notice to buyer: This policy may not cover all of your medical expenses."

History: Add. 1992, Act 84, Imd. Eff. June 2, 1992;—Am. 2006, Act 462, Imd. Eff. Dec. 20, 2006;—Am. 2018, Act 429, Eff. Mar. 20, 2019.

Popular name: Act 218