

**THIRD PARTY ADMINISTRATOR ACT (EXCERPT)**  
**Act 218 of 1984**

**550.942 Additional prohibited conduct.**

Sec. 42. A manager or TPA, in order to induce a person to contract or to continue to contract with the TPA; to induce a person to lapse, forfeit, or surrender a service contract entered into with a TPA; or to induce a person to secure or terminate coverage with a carrier or other person, shall not directly or indirectly:

(a) Offer to make or make an agreement relating to a service contract or issue or deliver to the person money or any other valuable consideration other than as plainly expressed in the service contract.

(b) Give or pay or offer to give or pay, directly or indirectly, a rebate or adjustment of the fee payable under the service contract, or an advantage in the services thereunder, except as reflected in the fee and expressly provided in the service contract.

(c) Make, issue, or circulate, or cause to be made, issued, or circulated, any estimate, illustration, circular, or statement misrepresenting the terms of a service contract, the advantages provided thereunder, or the true nature thereof.

(d) Make a misrepresentation in a comparison, whether oral or written, between service contracts of the TPA and another TPA or between service contracts of the TPA and a carrier.

**History:** 1984, Act 218, Eff. Jan. 1, 1985.