

THE NONPROFIT HEALTH CARE CORPORATION REFORM ACT (EXCERPT)
Act 350 of 1980

550.1496 Marketing or sale of medicare supplement coverage; prohibited acts and practices.

Sec. 496. The following acts and practices are prohibited in the marketing or sale of medicare supplement coverage:

(a) Twisting. Knowingly making any misleading representation or incomplete or fraudulent comparison of any insurance policies, certificates, or contracts of insurers, health care corporations, or health maintenance organizations for the purpose of inducing, or tending to induce, any person to lapse, forfeit, surrender, terminate, retain, pledge, assign, borrow on, or convert any insurance policy, contract, or certificate or to take out a policy, certificate, or contract with another insurer, health care corporation, or health maintenance organization.

(b) High pressure tactics. Employing any method of marketing having the effect of or tending to induce the purchase of health coverage through force, fright, threat whether explicit or implied, or undue pressure to purchase or recommend the purchase of health coverage.

(c) Cold lead advertising. Making use directly or indirectly of any method of marketing that fails to disclose in a conspicuous manner that a purpose of the method of marketing is solicitation of health coverage and that contact will be made by a health care corporation agent or company.

History: Add. 1994, Act 40, Imd. Eff. Mar. 14, 1994.

Popular name: Blue Cross-Blue Shield

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