



**House  
Legislative  
Analysis  
Section**

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**MATERIAL MISREPRESENTATION**

**House Bill 5521**

**Sponsor: Rep. Harold S. Voorhees**

**Committee: Insurance**

**Complete to 2-15-96**

**A SUMMARY OF HOUSE BILL 5521 AS INTRODUCED 1-23-96**

Under the Insurance Code, a misrepresentation does not void a disability insurance contract or defeat recovery under the contract unless the misrepresentation is "material." A misrepresentation is not considered material unless knowledge by the insurance company of the facts misrepresented would have led to a refusal by the insurer to make the contract. House Bill 5521 would say a misrepresentation also would be material if knowledge of the facts misrepresented would have led the insurer to charge an increased premium, provide less coverage, eliminate benefits, or exclude coverage for a risk otherwise within the scope of the contract.

MCL 500.2218

House Bill 5521 (2-15-96)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.