



**House
Legislative
Analysis
Section**

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**NONPROFIT DENTAL CORP.: INFO
PROTECTION AND PRIVACY**

House Bill 5228

Sponsor: Rep. Douglas Bovin

House Bill 5233

Sponsor: Rep. Gilda Z. Jacobs

Committee: Health Policy

Complete to 11-2-01

A SUMMARY OF HOUSE BILLS 5228 and 5233 AS INTRODUCED 10-16-01

Public Act 125 of 1963 provides for the incorporation, supervision, and regulation of nonprofit dental care corporations. House Bill 5233 would amend Public Act 125 (MCL 550.353a) to specify that a nonprofit dental care corporation was subject to and had to comply with the proposed “Health Care Information Protection and Privacy Act,” which would be created by House Bill 4936.

House Bill 5228 would amend a provision of Public Act 125 (MCL 550.358) specifying certain authority that the commissioner of insurance—now the commissioner of the Office of Financial and Insurance Services (OFIS)—has with respect to nonprofit dental care corporations. With respect to such corporations, currently the commissioner may revoke a certificate, may revoke an order or consent that he or she has made, and may forbid applications for membership, if he or she believes that further solicitation of subscribers would defraud a person solicited. The bill would additionally permit the commissioner to revoke a certificate, an order, or consent, and to forbid membership applications if he or she was satisfied that a corporation formed under the act had failed to comply with the proposed “Health Care Information Protection and Privacy Act.”

House Bill 5228 would also update an obsolete reference to Chapter 78 of the Insurance Code, which provided for the dissolution and liquidation of such corporations until it was repealed in 1989, so that it referred to Chapter 81, which now covers dissolution and liquidation. In conjunction with this change, the bill would clarify that the commissioner was responsible for supervising the dissolution or liquidation of a corporation formed under Public Act 125 of 1963—as opposed to the dissolution or liquidation of *any* corporation.

House Bills 5228 and 5233 are each tie-barred to House Bill 4936 but are not tie-barred to one another.

Analyst: J. Caver

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