

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 4280

A bill to amend 1980 PA 350, entitled
"The nonprofit health care corporation reform act,"
(MCL 550.1101 to 550.1704) by adding sections 420a, 422a, and
422b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 420a. A health care corporation shall only offer
2 long-term care coverage through a subsidiary of the health care
3 corporation. If a health care corporation subsidiary offers
4 long-term care coverage in this state, the sale of that coverage
5 is not exempt from taxation by this state or any political
6 subdivision of this state.

7 Sec. 422a. A health care corporation subsidiary may use an
8 application form for long-term care coverage that is designed to
9 elicit the complete health history of an applicant.

10 Sec. 422b. A health care corporation subsidiary may charge

1 a different rate based on age for the same long-term care
2 coverage if the rate differential is based on sound actuarial
3 principles and a reasonable classification system and is related
4 to actual and credible loss statistics or, for new coverages, is
5 related to reasonably anticipated experience.

6 Enacting section 1. This amendatory act does not take
7 effect unless Senate Bill No. 234 of the 92nd Legislature is
8 enacted into law.