



Senate Fiscal Agency
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House Bill 5147 (as reported without amendment)
Sponsor: Representative Ken Goike
House Committee: Insurance
Senate Committee: Insurance

CONTENT

The bill would amend the Insurance Code to provide that a variable life product or variable annuity product approved by the U.S. Securities and Exchange Commission for sale in this State would comply with the readability score requirements of Section 2236. (That section requires basic insurance policy forms or annuity contract forms to be filed with the Department of Insurance and Financial Services and approved by the Department Director. The Director may not approve a form providing for or relating to an insurance policy or annuity contract for personal, family, or household purposes if the form fails to obtain a particular readability score or meet other requirements.)

The bill also would repeal Section 2206. (Under that section, a minor who is at least 18 years old is considered competent to receive, and give a discharge for, a single payment of not more than \$2,000, or periodic payments not exceeding \$2,000 in one year, payable upon the death of the insured or the maturity of an endowment benefit, in compliance with a life insurance contract or settlement agreement that specifically provides for direct payments to the minor; however, a minor is not considered competent to alienate or anticipate the right to the payments.)

MCL 500.2206 & 500.2236

Legislative Analyst: Jeff Mann

FISCAL IMPACT

This bill would have no fiscal impact on State or local government.

Date Completed: 3-5-14

Fiscal Analyst: Glenn Steffens