



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5430 (Substitute H-2 as reported without amendment)
Sponsor: Representative Lana Theis
House Committee: Insurance
Senate Committee: Insurance

CONTENT

The bill would amend the Insurance Code to do the following:

- Allow a notice to a party, insurance coverage evidence, or other document that was required in an insurance transaction, to be delivered, stored, and presented by electronic means if the insurer met certain requirements.
- Require an insurer to obtain a party's consent to receive documents electronically, and give the party the ability to withdraw its consent.
- Specify that withdrawal of consent would become effective 30 days after the insurer received notice of the withdrawal, although consent would be withdrawn automatically if the electronic delivery method used were no longer effective.
- Specify that withdrawal of consent to electronic delivery would not affect the legal effectiveness, validity, or enforceability of a notice or a document that was delivered by electronic means before the withdrawal of consent was effective.
- Require the insurer to deliver notices or documents by first-class mail or by another delivery method if it had reason to believe that a party was not receiving electronic notices.
- Require an insurer to give the party a statement of the hardware and software requirements for electronic access to notices or documents before obtaining consent.
- Specify that electronic delivery of a notice or document would be equivalent to any other delivery method required by law.
- Allow electronic delivery by: 1) delivery to an electronic mail address, or 2) posting on the internet plus notice of that posting sent to an electronic mail address.

Proposed MCL 500.2266

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

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

Date Completed: 5-24-18

Fiscal Analyst: Elizabeth Raczkowski