



**Senate Fiscal Agency**  
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BILL



ANALYSIS

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House Bill 5156

Sponsor: Representative John Llewellyn

House Committee: Insurance

Senate Committee: Financial Services

Date Completed: 10-30-95

**SUMMARY OF HOUSE BILL 5156 as passed by the House:**

The bill would amend the Insurance Code to specify that the premium for an employee group life insurance policy could be paid by the employer, jointly by the employer and the employees, or by the employees, and that those policies could be issued to the employer or to the trustees of a fund established by the employer. (Currently, the Code permits payment by the employer or jointly by the employer and the employees and allows the policy to be issued only to the employer.) The bill also specifies that it would not require an employee to purchase group life insurance.

MCL 500.4404

Legislative Analyst: P. Affholter

**FISCAL IMPACT**

The bill would have an indeterminate fiscal impact on governmental units. It would be possible for public employers to reduce the cost of their fringe benefits plans if they restructured their group life insurance plans to shift fiscal responsibility to their employees. Actual savings would be dependent on the nature of life insurance coverage and the current premium cost-sharing relationship of the governments and their employees, and on how that responsibility was changed.

Fiscal Analyst: K. Lindquist

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.