

# HOUSE BILL No. 5405

December 3, 1997, Introduced by Rep. Varga and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 128 (MCL 500.128), as amended by 1990 PA 1.

## **THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 128. This ~~code shall~~ ACT DOES not apply to:  
2       (a) Nonprofit organizations of a purely philanthropic or  
3 social character, which may issue protection for the benefit of  
4 their members in amounts not to exceed \$150.00 death benefit or  
5 \$6.00 per week sickness or accident benefit upon compliance with  
6 provisions of the nonprofit corporation act, ~~Act No. 162 of the~~  
7 ~~Public Acts of 1982, being sections 450.2101 to 450.3192 of the~~  
8 ~~Michigan Compiled Laws, and with the further and additional~~  
9 ~~requirements that~~ 1982 PA 162, MCL 450.2101 TO 450.3192, SO LONG  
10 AS commissions or fees ~~shall~~ ARE not ~~be~~ charged in ~~such~~  
11 THOSE transactions ~~, nor shall~~ AND these organizations ~~be~~ ARE

1 NOT formed or operated principally or primarily for the purpose  
2 of issuing such policies or contracts of insurance.

3 (b) Organizations legally operating under exceptions to the  
4 application of the insurance code in force and effect heretofore,  
5 provided these organizations ~~shall~~ notify the commissioner of  
6 their intention to so continue, and ~~shall~~ furnish with that  
7 notice satisfactory proof of their eligibility under ~~said~~ THESE  
8 exceptions. The commissioner ~~shall~~ IS not ~~be~~ required to  
9 accept any notice filed later than December 31, 1945.

10 (c) Those fraternal and other societies, orders, associa-  
11 tions, and organizations exempted pursuant to section 8199,  
12 exempted fraternal societies and other organizations, but subject  
13 to the provisions of section 8199.

14 (d) Voluntary associations of employees ~~which~~ THAT provide  
15 death, accident, or sickness benefits to persons employed by the  
16 same employer.

17 (e) The Mennonite aid association of Indiana and Michigan.

18 (F) THE DETROIT FIRE DEPARTMENT MUTUAL BENEFIT FUND.