

THE INSURANCE CODE OF 1956 (EXCERPT)
Act 218 of 1956

500.5805 Merger of nonprofit health care corporation with nonprofit mutual disability insurer.

Sec. 5805.

(1) As set forth in section 220 of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1220, a nonprofit health care corporation may merge with a nonprofit mutual disability insurer where the surviving entity is governed by this chapter. A merger described in this section is exempt from the application of sections 1311 to 1319. Notwithstanding any provision of this act to the contrary, the resulting nonprofit mutual disability insurer shall continue as a nonprofit entity and shall continue to provide coverage to the individual and small group health markets in this state.

(2) A nonprofit mutual disability insurer that has merged with a nonprofit health care corporation as described in subsection (1) may, at its option, continue to offer any product that was offered to the subscribers of the nonprofit health care corporation.

(3) A nonprofit mutual disability insurer that has merged with a nonprofit health care corporation as described in subsection (1) may offer supplemental coverage to medicare enrollees as provided in chapter 38. Notwithstanding any other provision of this act to the contrary and until July 31, 2016, both of the following apply to an insurer described in this subsection:

(a) The insurer shall continue to offer to current or new eligible policyholders who are residents of this state, at the same rates as offered to subscribers by the nonprofit health care corporation on the effective date of this section, the supplemental coverage to medicare enrollees.

(b) The insurer offering supplemental coverage under subdivision (a) shall continue all cost transfers as authorized under section 609(5) of the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1609, on the effective date of this section.

(4) Benefits paid by a nonprofit mutual disability insurer that has merged with a nonprofit health care corporation as described in subsection (1) to an insured or provider by way of a check or other similar written instrument for the transmission or payment of money, that is not cashed within the period prescribed in the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265, shall escheat to this state pursuant to the uniform unclaimed property act, 1995 PA 29, MCL 567.221 to 567.265.

History: Add. 2013, Act 5, Imd. Eff. Mar. 18, 2013

Popular Name: Act 218