

THE NONPROFIT HEALTH CARE CORPORATION REFORM ACT (EXCERPT)
Act 350 of 1980

550.1421 Group long-term care certificate; requirements; satisfaction of organizational requirements.

Sec. 421. (1) Group long-term care coverage shall not be offered to a resident of this state under a group certificate issued in another state to a group described in section 420(b)(iv), unless the commissioner of this state has made a determination that those requirements have been met.

(2) Before advertising, marketing, or offering a group long-term care certificate within this state to a group described in section 420(b)(iii), the group or the corporation shall file evidence with the commissioner that the group meets all of the following requirements:

- (a) Consists of at least 100 members.
- (b) Has been in active existence for at least 1 year.
- (c) Holds regular meetings at least annually.
- (d) Except for credit unions, the group collects dues or solicits contributions from members.
- (e) The members have voting privileges and representation on the governing board and committees.
- (f) Has been organized and maintained in good faith for purposes other than obtaining coverage. The commissioner may waive the requirement provided in this subdivision.

(3) Thirty days after making the filing under this section, the group described in section 420(b)(iii) shall be considered to satisfy such organizational requirements, unless the commissioner makes a finding that the group does not satisfy those organizational requirements.

History: Add. 1989, Act 110, Eff. Jan. 3, 1990.

Popular name: Blue Cross-Blue Shield

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