

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

550.1471 Nongroup medicare supplement certificate; conditions requiring refund of premiums and interest; calculation of interest.

Sec. 471. (1) A health care corporation shall not issue a nongroup medicare supplement certificate to a person who has not applied for or enrolled in medicare, parts A and B. If it is later determined that a person has not applied for or enrolled in medicare, parts A and B, a health care corporation shall refund all premiums received from the person for a medicare supplement certificate issued to the person plus interest less the amount of any benefits received by the person under the certificate.

(2) Interest under subsection (1) shall be calculated at 6-month intervals from the date the first premium payment was received at a rate of interest equal to 1% plus the average interest rate paid at auctions of 5-year United States treasury notes during the 6 months immediately preceding July 1 and January 1, as certified by the state treasurer, and compounded annually.

History: Add. 1994, Act 40, Imd. Eff. Mar. 14, 1994.

Popular name: Blue Cross-Blue Shield

Popular name: Act 350