

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

550.1485 Medicare supplement coverage; marketing; duties of health care corporation and agents; providing individual with more than 1 policy, contract, or certificate prohibited; display of notice.

Sec. 485. (1) Each health care corporation marketing medicare supplement coverage in this state directly or through its agents shall do all of the following:

(a) Establish marketing procedures to ensure that any comparison of policies by its agents will be fair and accurate.

(b) Establish marketing procedures to ensure excessive coverage is not sold or issued.

(c) Inquire and otherwise make every reasonable effort to identify whether a prospective applicant for medicare supplement coverage already has disability or other health coverage and the types and amounts of coverage.

(d) Establish auditable procedures for verifying compliance with this subsection.

(2) In recommending the purchase or replacement of any medicare supplement coverage, an agent shall make reasonable efforts to determine the appropriateness of a recommended purchase or replacement.

(3) Any sale of medicare supplement coverage that will provide an individual with more than 1 medicare supplement policy, contract, or certificate is prohibited.

(4) A medical supplement certificate shall display prominently by type, stamp, or other appropriate means, on the first page of the certificate the following: "Notice to buyer: This certificate may not cover all of your medical expenses."

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

Popular name: Blue Cross-Blue Shield

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