

SENATE BILL No. 454

May 1, 2003, Introduced by Senator GEORGE and referred to the Committee on Health Policy.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 3603.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3603. (1) As used in this section:

2 (a) "Carrier" means a health insurance company authorized to
3 do business in this state, a health maintenance organization, a
4 nonprofit health care corporation, a multiple employer welfare
5 arrangement, or any other person providing a plan of health
6 insurance or coverage subject to state insurance regulation.

7 (b) "Small employer" means any person, firm, corporation,
8 partnership, limited liability company, or association actively
9 engaged in business who, on at least 50% of its working days
10 during the preceding calendar year, operated as a sole proprietor
11 or employed 99 or fewer eligible employees. In determining the

1 number of eligible employees, companies that are affiliated
2 companies or that are eligible to file a combined tax return for
3 state taxation purposes are considered 1 employer.

4 (c) "Small employer carrier" means a carrier that offers
5 health benefit plans covering the employees of a small employer.

6 (2) A small employer carrier may deny coverage to a small
7 employer if the small employer fails to enroll enough of its
8 employees to meet the minimum participation rules established by
9 the carrier pursuant to sound underwriting requirements. A
10 minimum participation rule may require as a condition of coverage
11 that a small employer enroll a certain number or percentage of
12 employees with all small employer carriers providing coverage to
13 the small employer. A minimum participation rule for small
14 employers of 6 or more employees shall not require enrollment of
15 more than 75% of the small employer's employees without health
16 coverage through other group health coverage than that offered by
17 the small employer. A minimum participation rule for small
18 employers of fewer than 6 employees may require enrollment of up
19 to 100% of the small employer's employees without health coverage
20 through other group health coverage than that offered by the
21 small employer.