

SUBSTITUTE FOR  
SENATE BILL NO. 631

A bill to amend 1963 PA 125, entitled

"An act to provide for the incorporation, supervision, and regulation of nonprofit dental care corporations; to prescribe the functions of the commissioner of insurance as to such corporations; to provide for the imposition of a regulatory fee; and to prescribe penalties for violations of this act,"

by amending section 13 (MCL 550.363).

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 13. (1) The board of directors of a dental care  
2 corporation ~~shall consist of~~ **MUST HAVE** not more than 25 members.  
3 ~~and shall~~ **THE BOARD MUST** have representation from the general  
4 public, **FROM LICENSED DENTISTS**, and from among the various classes  
5 of subscribers ~~enumerated~~ **IDENTIFIED** in section 19. ~~of this act and~~  
6 ~~from the Michigan state dental association or its successor, but at~~  
7 ~~least 40 per cent and not more than 60%~~ **THE MICHIGAN DENTAL**  
8 **ASSOCIATION, OR ITS SUCCESSOR, MAY SUBMIT TO A DENTAL CARE**

1 CORPORATION A LIST OF CANDIDATES RECOMMENDED FOR APPOINTMENT TO THE  
2 BOARD. A DENTAL CARE CORPORATION MAY CONSIDER THOSE RECOMMENDED  
3 CANDIDATES, BUT IS NOT REQUIRED TO APPOINT ANY RECOMMENDED  
4 CANDIDATE TO THE BOARD.

5 (2) SUBJECT TO SUBSECTION (3), NOT LESS THAN 40% of the  
6 directors ~~shall~~ OF A DENTAL CARE CORPORATION MUST be ~~duly~~-licensed  
7 dentists who are ~~approved by the Michigan state dental association~~  
8 ~~or its successor~~. NOT ACTIVE EMPLOYEES OF THE DENTAL CARE  
9 CORPORATION.

10 (3) OF THE NOT LESS THAN 40% OF THE BOARD WHO ARE LICENSED  
11 DENTISTS AND WHO ARE NOT ACTIVE EMPLOYEES OF THE DENTAL CARE  
12 CORPORATION UNDER SUBSECTION (2), A MINIMUM PORTION MUST BE MEMBERS  
13 OF THE MICHIGAN DENTAL ASSOCIATION AT THE TIME OF APPOINTMENT OR  
14 REAPPOINTMENT TO THE BOARD. AT A MINIMUM, THE PROPORTION MUST EQUAL  
15 THE PERCENTAGE OF LICENSED DENTISTS WHO ARE ALSO MEMBERS OF THE  
16 MICHIGAN DENTAL ASSOCIATION.

17 (4) THE BOARD OF DIRECTORS OF A DENTAL CARE CORPORATION MUST  
18 CONSIST OF NOT MORE THAN 60% LICENSED DENTIST DIRECTORS.

19 (5) IF THE DIRECTOR OF THE DEPARTMENT OF INSURANCE AND  
20 FINANCIAL SERVICES BELIEVES THAT THE COMPOSITION OF THE BOARD OF A  
21 DENTAL CARE CORPORATION IS NOT IN COMPLIANCE WITH THIS SECTION, THE  
22 DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
23 SHALL HOLD A HEARING. AFTER THE HEARING AND AFTER WRITTEN FINDINGS  
24 THAT THE BOARD COMPOSITION DOES NOT COMPLY WITH THIS SECTION, THE  
25 DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES  
26 SHALL ISSUE AND CAUSE TO BE SERVED ON THE DENTAL CARE CORPORATION A  
27 COPY OF THE FINDINGS AND AN ORDER REQUIRING THE DENTAL CARE

1 CORPORATION TO COMPLY WITH THIS SECTION. IN ADDITION, IF THE DENTAL  
2 CARE CORPORATION DOES NOT COMPLY WITH THE ORDER WITHIN 30 DAYS, THE  
3 DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES MAY  
4 ORDER THE PAYMENT OF A CIVIL FINE OF NOT MORE THAN \$10,000.00.

5 (6) NOT MORE FREQUENTLY THAN ANNUALLY, ON THE MICHIGAN DENTAL  
6 ASSOCIATION'S REQUEST, A DENTAL CARE CORPORATION SHALL PROVIDE ALL  
7 OF THE FOLLOWING INFORMATION:

8 (A) THE NAMES OF THE DENTIST DIRECTORS.

9 (B) THE TERMS OF SERVICE OF THE DENTIST DIRECTORS.

10 (C) THE DATE ON WHICH NEW DENTIST DIRECTORS ARE ELECTED.

11 Enacting section 1. This amendatory act does not take effect  
12 unless Senate Bill No.\_673

13 of the 99th Legislature is enacted into law.