

Act No. 163
Public Acts of 2023
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**STATE OF MICHIGAN
102ND LEGISLATURE
REGULAR SESSION OF 2023**

Introduced by Senators Klinefelt, Hertel, Cavanagh, Chang, Shink, McMorrow, Polehanki,
Singh, Brinks, Cherry and Wojno

ENROLLED SENATE BILL No. 358

AN ACT to amend 1956 PA 218, entitled "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to

provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act," (MCL 500.100 to 500.8302) by adding section 3406ee.

The People of the State of Michigan enact:

Sec. 3406ee. (1) An insurer that delivers, issues for delivery, or renews in this state in the individual or small group market a health insurance policy shall offer health insurance policies that provide at least 1 of the following levels of coverage:

(a) Coverage designed to provide benefits actuarially equivalent to 60% of the full actuarial value of the benefits provided under the policy.

(b) Coverage designed to provide benefits actuarially equivalent to 70% of the full actuarial value of the benefits provided under the policy.

(c) Coverage designed to provide benefits actuarially equivalent to 80% of the full actuarial value of the benefits provided under the policy.

(d) Coverage designed to provide benefits actuarially equivalent to 90% of the full actuarial value of the benefits provided under the policy.

(2) For plan years beginning after the effective date of the amendatory act that added this section, the allowable variation in the actuarial value of a health insurance policy that does not result in a material difference in the true dollar value of the health insurance policy is the de minimis variation as described in 45 CFR 156.140.

(3) For purposes of determining compliance with subsections (1) to (2), an insurer described in subsection (1) must use the actuarial calculator developed and made available by the federal department of health and human services for the applicable plan year. Subject to subsection (4), if the federal department of health and human services has not developed and made available the calculator, an insurer described in subsection (1) may use the most recently issued calculator. If a health insurance policy's design is not compatible with the calculator, the insurer must submit an actuarial certification from an actuary, who is a member of the American Academy of Actuaries, using 1 of the following methodologies:

(a) Calculate the health insurance policy's actuarial value by:

(i) Estimating a fit of its plan design into the parameters of the calculator.

(ii) Having the actuary certify that the plan design fits appropriately in accordance with generally accepted actuarial principles and methodologies.

(b) Use the calculator to determine the actuarial value for the health insurance policy provisions that fit within the calculator parameters and have the actuary calculate and certify, in accordance with generally accepted actuarial principles and methodologies, appropriate adjustments to the actuarial value identified by the calculator, for plan design features that deviate substantially from the parameters of the calculator.

(4) The calculation methods described in subsection (3) may include only in-network cost-sharing, including multitier networks.

(5) This section does not apply to a short-term or 1-time limited duration policy or certificate of not longer than 6 months as described in section 2213b, a grandfathered plan as that term is defined in 45 CFR 147.140, or a catastrophic plan as described in 45 CFR 156.155.



Secretary of the Senate



Clerk of the House of Representatives

Approved _____

Governor