

WORKER'S DISABILITY COMPENSATION ACT OF 1969 (EXCERPT)
Act 317 of 1969

418.621 Insurance contracts subject to act; separate policy for certain employees; construction site; required provisions; form; applicability of section to State Accident Fund.

Sec. 621.

(1) Every contract for the insurance of the compensation provided in this act for or against liability therefore, shall be subject to the provisions of this act and provisions inconsistent with this act are void.

(2) The state accident fund and each insurer issuing an insurance policy to cover any employer not permitted to be a self-insurer under section 611 shall insure, cover, and protect in the same insurance policy, all the businesses, employees, enterprises, and activities of the employer.

(3) Under procedures and conditions specifically determined by the director, a separate insurance policy may be issued to cover employers performing work at a specified construction site if the director finds that the liability under this act of each employer to all his or her employees would at all times be fully secured and the cost of construction at the site, not including the cost of land acquisition, will exceed \$65,000,000.00, and the contemplated completion period for the construction will be 5 years or less.

Each construction site shall have an appointed construction safety and health director employed by the owner, construction manager, general contractor of the construction site, or insurance carrier for the project. The safety and health director shall have experience in the field of construction safety and health. The construction safety and health director shall be a full-time director with job duties limited to occupational safety and health related issues. The safety and health director shall be located at and work from the construction site, whenever construction activity takes place on the site. The owner, construction manager, or general contractor shall designate an alternate construction safety and health director with experience in the field of construction safety and health during multiple shifts and temporary absences of the construction safety and health director. The alternate construction safety and health director shall exercise the same responsibilities and authority as the construction safety and health director and report to the safety and health director on the activities at the site during the safety and health director's absence. The safety and health director shall be responsible for coordination among all employers at the construction site to provide a safe and healthful worksite. The construction safety and health director shall be the final authority for resolution of all disputes related to construction safety and health at the worksite. All construction contractors at the construction site shall accept the services of the education and training personnel from the departments of labor or public health, or both, who provide such services pursuant to the Michigan occupational safety and health act, Act No. 154 of the Public Acts of 1974, being sections 408.1001 to 408.1094 of the Michigan Compiled Laws. The construction safety and health director shall assist all contractors at the construction site in developing comprehensive accident prevention programs as required by R 408.40114 of the Michigan administrative code.

A notice of issuance of insurance policy shall be filed on a form provided by the bureau for each employer working on the specific construction site. The notice of issuance shall conform to the requirements of section 625.

(4) Except as modified by the director as provided for herein, each policy of insurance covering worker's compensation in this state shall contain the following provisions:

"Notwithstanding any language elsewhere contained in this contract or policy of insurance, the insurer issuing this policy hereby contracts and agrees with the insured employer:

Compensation.

(a) That it will pay to the persons that may become entitled thereto all worker's compensation for which the insured employer may become liable under the provisions of the Michigan worker's disability compensation act for all compensable injuries or compensable occupational diseases happening to his or her employees during the life of this contract or policy;

Medical services.

(b) That it will furnish or cause to be furnished to all employees of the employer, all reasonable medical, surgical, and hospital services and medicines when they are needed which the employer may be obligated to furnish or cause to be furnished to his or her employees under the provisions of the Michigan worker's disability compensation act and that it will pay to the persons entitled thereto for all such services and medicines when they are needed for all compensable injuries or compensable occupational diseases happening to his or her employees during the life of this contract or policy;

Rehabilitation services.

(c) That it will furnish or cause to be furnished such rehabilitation services for which the insured employer may become liable to furnish or cause to be furnished under the provisions of the Michigan worker's disability compensation act for all compensable injuries or compensable occupational diseases happening to his or her employees during the life of this contract or policy;

Funeral expenses.

(d) That it will pay or cause to be paid the reasonable expense of the last sickness and burial of all employees whose deaths are caused by compensable injuries or compensable occupational diseases happening during the life of this contract or policy and arising out of and in the course of their employment with the employer, which the employer may be obligated to pay under the provisions of the Michigan worker's disability compensation act;

Scope of contract.

(e) That this insurance contract or policy shall for all purposes be held and deemed to cover all the businesses the said employer is engaged in at the time of the issuance of this contract or policy and all other businesses, if any, the employer may engage in during the life of this contract or policy, and all employees the employer may employ in any of his or her businesses during the period covered by this policy;

Obligations assumed.

(f) That it hereby assumes all obligations imposed upon the employer by his or her acceptance of the Michigan worker's disability compensation act, as far as the payment of compensation, death benefits, medical surgical, hospital care or medicine and rehabilitation services is concerned;

Termination notice.

(g) That it will file with the bureau of workmen's compensation at Lansing, Michigan, at least 20 days before the taking effect of any termination or cancellation of this contract or policy, a notice giving the date at which it is proposed to terminate or cancel this contract or policy; and that any termination of this policy shall not be effective as far as the employees of the insured employer are concerned until 20 days after notice of proposed termination or cancellation is received by the bureau of workmen's compensation;

Conflicting provisions.

(h) That all the provisions of this contract, if any, which are not in harmony with this paragraph are to be construed as modified hereby, and all conditions and limitations in the policy, if any conflicting herewith are hereby made null and void."

(5) The provisions shall be printed upon or conspicuously attached to every insurance contract or policy issued by the state accident fund or insurer in type size not smaller than 10-point and shall constitute a separate paragraph of the policy. Any provision of the policy inconsistent with the undertakings and agreements of the state accident fund or insurer contained in such provisions shall be null and void.

(6) This section applies to the state accident fund until the state administrative board certifies in writing to the secretary of state by December 31, 1994 that an agreement for the transfer of all or substantially all of the assets and the assumption of all or substantially all of the liabilities of the state accident fund has been consummated with a permitted transferee pursuant to the requirements of section 701a.

History: 1969, Act 317, Eff. Dec. 31, 1969 ;-- Am. 1973, Act 117, Imd. Eff. Aug. 21, 1973 ;-- Am. 1993, Act 198, Eff. Dec. 28, 1994 ;-- Am. 1994, Act 271, Imd. Eff. July 11, 1994

Compiler's Notes: Section 3 of Act 198 of 1993 provides as follows: "Section 3. (1) Except as provided in subsection (2), this amendatory act shall not take effect unless the state administrative board certifies in writing to the secretary of state by December 31, 1994 that an agreement for the transfer of all or substantially all of the assets and the assumption of all or substantially all of the liabilities of the state accident fund has been consummated with a permitted transferee pursuant to the requirements of section 701a of the worker's disability compensation act of 1969, Act No. 317 of the Public Acts of 1969, being section 418.701a of the Michigan Compiled Laws, as added by this amendatory act." (2) Sections 700 and 701a as added by this amendatory act shall take effect upon the date of enactment of this amendatory act."

Popular Name: Act 317