



HOUSE BILL No. 6057

September 11, 1996, Introduced by Rep. Nye and referred to the Committee on Insurance.

A bill to amend Act No. 218 of the Public Acts of 1956, entitled as amended "The insurance code of 1956," as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, by adding section 2255.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding section 2255 to read as
4 follows:

5 SEC. 2255. (1) IF PAYMENT OF \$500.00 OR MORE IS MADE BY AN
6 INSURER TO AN ATTORNEY OR OTHER REPRESENTATIVE OF A CLAIMANT IN
7 FULL OR PARTIAL SETTLEMENT OF A CLAIM THE INSURER SHALL PROVIDE
8 WRITTEN NOTICE TO THE CLAIMANT AT THE SAME TIME THE PAYMENT IS

1 MADE TO THE ATTORNEY OR OTHER REPRESENTATIVE. THE WRITTEN NOTICE
2 SHALL INCLUDE ALL OF THE FOLLOWING:

3 (A) THE NAME OF THE PAYEE ON THE DRAFT, CHECK, OR OTHER
4 INSTRUMENT.

5 (B) THE AMOUNT OF THE PAYMENT AND THE DATE THE PAYMENT WAS
6 MADE.

7 (C) WHETHER THE PAYMENT WAS IN FULL OR PARTIAL SETTLEMENT OF
8 THE CLAIM.

9 (2) FAILURE TO GIVE THE NOTICE REQUIRED BY THIS SECTION DOES
10 NOT CREATE A CAUSE OF ACTION AGAINST AN INSURER OR PROVIDE A
11 DEFENSE TO A CAUSE OF ACTION AGAINST AN INSURER.