

**SENATE BILL NO. 332**

February 18, 1999, Introduced by Senator BYRUM and referred to the Committee on Judiciary.

A bill to amend 1961 PA 236, entitled  
"Revised judicature act of 1961,"  
(MCL 600.101 to 600.9948) by adding section 2968.

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

1        SEC. 2968. (1) IN ADDITION TO ANY OTHER REMEDIES PROVIDED  
2 BY LAW, AN INSURER WHO FAILS TO NEGOTIATE AND SETTLE AN INSURANCE  
3 CLAIM IN GOOD FAITH IS LIABLE TO THE CLAIMANT FOR DAMAGES  
4 INCURRED AS A RESULT OF THAT FAILURE. IN AN ACTION UNDER THIS  
5 SECTION, THE CLAIMANT MAY ALSO RECOVER EXEMPLARY DAMAGES, COSTS  
6 OF THE ACTION, AND REASONABLE ATTORNEY FEES.

7        (2) AS USED IN THIS SECTION:

8        (A) "INSURER" MEANS ANY OF THE FOLLOWING:

9        (i) AN INSURER AS DEFINED IN AND REGULATED UNDER THE  
10 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.100 TO 500.8302.

1           (ii) A HEALTH MAINTENANCE ORGANIZATION AS DEFINED IN PART  
2 210 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.21001 TO  
3 333.21098.

4           (iii) A HEALTH CARE CORPORATION AS DEFINED IN THE NONPROFIT  
5 HEALTH CARE CORPORATION REFORM ACT, 1980 PA 350, MCL 550.1101 TO  
6 550.1704.

7           (iv) A THIRD PARTY ADMINISTRATOR AS DEFINED IN THE THIRD  
8 PARTY ADMINISTRATOR ACT, 1984 PA 218, MCL 550.901 TO 550.962.

9           (B) "INSURANCE CLAIM" MEANS A CLAIM UNDER ANY OF THE  
10 FOLLOWING:

11           (i) AN INSURANCE POLICY OR CERTIFICATE REGULATED UNDER THE  
12 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.100 TO 500.8302.

13           (ii) A HEALTH MAINTENANCE CONTRACT AS DEFINED IN PART 210 OF  
14 THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.21001 TO 333.21098.

15           (iii) A CERTIFICATE AS DEFINED IN THE NONPROFIT HEALTH CARE  
16 CORPORATION REFORM ACT, 1980 PA 350, MCL 550.1101 TO 550.1704.

17           (iv) A BENEFIT PLAN AS DEFINED IN THE THIRD PARTY ADMINIS-  
18 TRATOR ACT, 1984 PA 218, MCL 550.901 TO 550.962.