

SENATE BILL No. 400

April 20, 2005, Introduced by Senators TOY, HAMMERSTROM, BIRKHOLZ, BERNERO, BASHAM, KUIPERS, SCOTT, CLARK-COLEMAN, JELINEK, THOMAS, CLARKE, CHERRY, OLSHOVE, JACOBS, EMERSON and BARCIA and referred to the Committee on Government Operations.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding chapter 21A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 21A. INSURER INTERESTS IN REPAIR FACILITIES

SEC. 2151. AS USED IN THIS CHAPTER:

(A) "INSURER" MEANS AN AUTOMOBILE INSURER AND INCLUDES AN
ENTITY THAT IS AN AFFILIATE OF THE INSURER.

(B) "REPAIR FACILITY" MEANS A MOTOR VEHICLE REPAIR FACILITY AS
DEFINED IN SECTION 2 OF THE MOTOR VEHICLE SERVICE AND REPAIR ACT,
1974 PA 300, MCL 257.1302.

SEC. 2153. EXCEPT AS PROVIDED IN THIS CHAPTER, AN INSURER MAY
NOT OWN OR ACQUIRE AN OWNERSHIP INTEREST IN A REPAIR FACILITY.

SEC. 2155. (1) AN INSURER THAT HAS AN OWNERSHIP INTEREST IN A

1 REPAIR FACILITY ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
2 ADDED THIS SECTION SHALL DIVEST ITSELF OF ANY OWNERSHIP INTEREST IN
3 THAT FACILITY WITHIN 2 YEARS AFTER THE EFFECTIVE DATE OF THE
4 AMENDATORY ACT THAT ADDED THIS SECTION.

5 (2) DURING THE PERIOD IN WHICH THE INSURER MAINTAINS ITS
6 INTEREST IN THE REPAIR FACILITY BEFORE THE DIVESTITURE REQUIRED
7 UNDER SUBSECTION (1), THE INSURER SHALL DO ALL OF THE FOLLOWING:

8 (A) POST A NOTICE IN NOT LESS THAN 18-POINT FONT AT THE
9 CUSTOMER ENTRANCE OF EACH OF THE REPAIR FACILITIES IN WHICH THE
10 INSURER HAS AN OWNERSHIP INTEREST STATING:

11 "THIS REPAIR FACILITY IS OWNED IN WHOLE OR IN PART BY (INSERT
12 NAME OF INSURER). YOU ARE HEREBY NOTIFIED THAT YOU ARE ENTITLED TO
13 SEEK REPAIRS AT A REPAIR FACILITY OF YOUR CHOICE."

14 (B) SHALL NOTIFY AN INSURED IN WRITING AT THE TIME A POLICY IS
15 DELIVERED, ISSUED FOR DELIVERY, OR RENEWED OF THE INSURER'S
16 OWNERSHIP INTEREST AND THAT THE INSURED IS ENTITLED TO SEEK REPAIRS
17 AT A REPAIR FACILITY OF HIS OR HER CHOICE.

18 (C) SHALL NOTIFY AN INSURED VERBALLY AT THE TIME A CLAIM IS
19 FILED OF THE INSURED'S OWNERSHIP INTEREST AND THAT THE INSURED IS
20 ENTITLED TO SEEK REPAIRS AT A REPAIR FACILITY OF HIS OR HER CHOICE.

21 SEC. 2157. (1) A PERSON, INCLUDING, BUT NOT LIMITED TO, A
22 REPAIR FACILITY, AGGRIEVED BY A VIOLATION OF THIS CHAPTER BY AN
23 INSURER MAY BRING AN ACTION FOR INJUNCTIVE OR OTHER APPROPRIATE
24 RELIEF TO COMPEL THE INSURER TO COMPLY WITH THIS CHAPTER.

25 (2) A PLAINTIFF WHO PREVAILS IN AN ACTION UNDER THIS SECTION
26 IS ENTITLED TO RECOVER REASONABLE ATTORNEY FEES AND COURT COSTS.