



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

BILL



ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bill 1087 (as reported without amendment)
Sponsor: Senator Rick Jones
Committee: Insurance

CONTENT

The bill would amend the Insurance Code to do the following:

- Require an insurer that paid at least \$5,000 to a licensed attorney or other representative in a settlement or satisfaction arising out of an insurance policy issued in Michigan to send to the claimant or judgment creditor a notice of the payment within five business days after the payment was made or sent.
- Prescribe the language the notice would have to contain.
- Prohibit an insurer from communicating with a claimant or judgment creditor known to be represented by a licensed attorney or other representative regarding a settlement or satisfaction without the written consent of the attorney or other representative.

The bill specifies that it would not do any of the following:

- Create a cause of action for monetary damages for any person against an insurer based on a failure to provide notice as required by the bill or the provision of a defective notice.
- Establish a defense for any person to any cause of action based on a failure to provide the notice or the provision of a defective notice.
- Invalidate or affect the settlement or satisfaction for which the payment was made by the insurer.

Proposed MCL 500.2081

Legislative Analyst: Drew Krogulecki

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 12-7-18

Fiscal Analyst: Elizabeth Raczkowski