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INSURANCE: REPAIR CONTRACTS

House Bill 4957

Sponsor: Rep. Mary C. Brown

Committee: Insurance

Complete to 9-4-91

A SUMMARY OF HOUSE BILL 4957 AS INTRODUCED 6-13-91

The bill would amend the Insurance Code to permit auto insurance companies to contract with auto repair businesses for repair services covered under their policies and to require the insurers to provide a discount on physical damage coverages to customers who agree in writing to use the repair shops. A written agreement between the insurer and insured would specify that: (1) the customer was obligated to use a contract repair business if the damage to the vehicle was covered under the policy and the vehicle was within 30 miles of the repair shop; and (2) if the customer did not use an approved repair shop, the company would pay only the amount that an approved repair shop would have charged or 80 percent of the cost of repairs performed, whichever was greater.

MCL 500.3121

House Bill 4957 (9-4-91)