

HOUSE BILL No. 4958

June 13, 1991, Introduced by Rep. Brown and referred to the Committee on Insurance.

A bill to amend section 3121 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

being section 500.3121 of the Michigan Compiled Laws; and to add section 3129.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3121 of Act No. 218 of the Public Acts
2 of 1956, being section 500.3121 of the Michigan Compiled Laws, is
3 amended and section 3129 is added to read as follows:

4 Sec. 3121. (1) Under property protection insurance an
5 insurer is liable to pay benefits for accidental damage to tangi-
6 ble property arising out of the ownership, operation,
7 maintenance, or use of a motor vehicle as a motor vehicle subject
8 to the provisions of this section and sections 3123, 3125, ~~and~~
9 3127, AND 3129.

1 (2) Property protection insurance benefits are due under the
2 conditions stated in this chapter without regard to fault.

3 (3) Damage to tangible property consists of physical injury
4 to or destruction of the property and loss of use of the property
5 so injured or destroyed.

6 (4) Damage to tangible property is accidental, as to a
7 person claiming property protection insurance benefits, unless it
8 is suffered or caused intentionally by the claimant. Even though
9 a person knows that damage to tangible property is substantially
10 certain to be caused by his OR HER act or omission, ~~he~~ THE
11 PERSON does not cause or suffer such damage intentionally if he
12 OR SHE acts or refrains from acting for the purpose of averting
13 injury to any person, including himself OR HERSELF, or for the
14 purpose of averting damage to tangible property.

15 (5) Property protection insurance benefits consist of the
16 lesser of reasonable repair costs or replacement costs less
17 depreciation and, where applicable, the value of loss of use.
18 However, property protection insurance benefits paid under 1
19 policy for damage to all tangible property arising from 1 acci-
20 dent shall not exceed \$1,000,000.00.

21 SEC. 3129. (1) AS USED IN THIS SECTION:

22 (A) "AFTERMARKET CRASH PART" MEANS A REPLACEMENT PART FOR A
23 NONMECHANICAL SHEET METAL PART OR PLASTIC PART THAT GENERALLY
24 CONSTITUTES PART OF THE EXTERIOR OF A MOTOR VEHICLE, INCLUDING,
25 BUT NOT LIMITED TO, AN INNER OR OUTER PANEL. AFTERMARKET CRASH
26 PART INCLUDES A NEW PART, A RECYCLED PART, OR A PART FROM A
27 DISTRESSED VEHICLE AS DEFINED IN SECTION 12A OF THE MICHIGAN

1 VEHICLE CODE, ACT NO. 300 OF THE PUBLIC ACTS OF 1949, BEING
2 SECTION 257.12A OF THE MICHIGAN COMPILED LAWS.

3 (B) "INSTALLER" MEANS AN INDIVIDUAL WHO REPLACES OR REPAIRS
4 PARTS OF A MOTOR VEHICLE.

5 (C) "NON-OEM AFTERMARKET CRASH PART" MEANS AN AFTERMARKET
6 CRASH PART NOT MADE BY OR FOR THE MANUFACTURER OF A MOTOR
7 VEHICLE.

8 (D) "REPAIR FACILITY" MEANS ANY MOTOR VEHICLE DEALER,
9 GARAGE, BODY REPAIR SHOP, OR OTHER COMMERCIAL ENTITY THAT UNDER-
10 TAKES THE REPAIR OR REPLACEMENT OF PARTS THAT GENERALLY CONSTI-
11 TUTE THE EXTERIOR OF A MOTOR VEHICLE.

12 (2) AN AUTOMOBILE INSURANCE INSURER SHALL OFFER THE FOLLOW-
13 ING OPTIONS AT APPROPRIATELY PRICED PREMIUM RATES AS PART OF ITS
14 PROPERTY PROTECTION INSURANCE AND AN INSURED SHALL SELECT IN
15 WRITING 1 OF THE FOLLOWING OPTIONS:

16 (A) THE USE OF NON-OEM AFTERMARKET CRASH PARTS IN THE REPAIR
17 OF AN INSURED'S MOTOR VEHICLE.

18 (B) THE USE OF ORIGINAL EQUIPMENT MANUFACTURER AFTERMARKET
19 CRASH PARTS IN THE REPAIR OF AN INSURED'S MOTOR VEHICLE.

20 (3) IF AN INSURED SELECTS (2)(A) COVERAGE, THE AUTOMOBILE
21 INSURANCE INSURER SHALL PROVIDE OR HAVE THE REPAIR FACILITY OR
22 INSTALLER PROVIDE TO THE INSURED A WRITTEN ESTIMATE OF REPAIRS
23 CLEARLY IDENTIFYING EACH NON-OEM AFTERMARKET CRASH PART AND THE
24 INSURER, REPAIR FACILITY, INSTALLER, OR MANUFACTURER SHALL WAR-
25 RANT THE NON-OEM AFTERMARKET CRASH PART FOR THE LIFE OF THE MOTOR
26 VEHICLE.