



SENATE BILL No. 728

July 1, 1993, Introduced by Senator DINGELL and referred to the Committee on Commerce.

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

"The insurance code of 1956,"

as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, by adding section 3133.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding section 3133 to read as
4 follows:

5 SEC. 3133. (1) AN AUTOMOBILE INSURANCE POLICY AND AN AUTO-
6 MOBILE INSURER AND ITS EMPLOYEES, AGENTS, AND ADJUSTERS SHALL NOT
7 DO EITHER OF THE FOLLOWING:

8 (A) INTIMIDATE, INDUCE, RECOMMEND, SUGGEST, OR REQUIRE AN
9 INSURED TO USE A PARTICULAR PERSON, PLACE, SHOP, OR ENTITY FOR

1 THE PROVIDING OF ANY AUTOMOBILE REPAIR SERVICE OR PRODUCT COVERED
2 BY THE POLICY.

3 (B) INTIMIDATE, INDUCE, RECOMMEND, SUGGEST, OR REQUIRE AN
4 INSURED TO USE A PARTICULAR BRAND, TYPE, KIND, AGE, OR CONDITION
5 OF PARTS FOR A PART COVERED BY THE POLICY.

6 (2) AN AUTOMOBILE INSURER SHALL FULLY AND PROMPTLY PAY FOR
7 THE COST OF ANY COVERED AUTOMOBILE REPAIR SERVICE OR PRODUCT LESS
8 ANY APPLICABLE DEDUCTIBLE AT NOT LESS THAN THE PREVAILING OR GEN-
9 ERALLY FOUND MARKET PRICE IN THE AREA FOR SIMILARLY SITUATED
10 AUTOMOBILE REPAIR SERVICES OR PRODUCTS. THE PREVAILING OR GENER-
11 ALLY FOUND MARKET PRICE IN THE AREA SHALL NOT BE LIMITED TO THE
12 LOWEST PRICE AND SHALL NOT TAKE INTO CONSIDERATION ANY SPECIAL
13 PRICE OR SERVICE ARRANGEMENT OFFERED BY THE PARTICULAR PERSON,
14 PLACE, SHOP, OR ENTITY. AN AUTOMOBILE INSURER SHALL NOT FAIL TO
15 FULLY AND PROMPTLY PAY FOR THE COST OF ANY COVERED AUTOMOBILE
16 REPAIR SERVICE OR PRODUCT BECAUSE OF AN INSURED'S SELECTION OF A
17 PARTICULAR PERSON, PLACE, SHOP, OR ENTITY TO PROVIDE THE COVERED
18 AUTOMOBILE REPAIR SERVICE OR PRODUCT.