



HOUSE BILL No. 4564

March 9, 1995, Introduced by Reps. Curtis, Harder, Murphy, Cherry, Yokich, Baird and Saunders and referred to the Committee on Judiciary and Civil Rights.

A bill to amend Act No. 236 of the Public Acts of 1961, entitled as amended "Revised judicature act of 1961," as amended, being sections 600.101 to 600.9947 of the Michigan Compiled Laws, by adding section 2962.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 236 of the Public Acts of 1961, as
2 amended, being sections 600.101 to 600.9947 of the Michigan
3 Compiled Laws, is amended by adding section 2962 to read as
4 follows:

5 SEC. 2962. (1) IN ADDITION TO ANY OTHER REMEDIES PROVIDED
6 BY LAW, AN INSURER WHO FAILS TO NEGOTIATE AND SETTLE AN INSURANCE
7 CLAIM IN GOOD FAITH IS LIABLE TO THE CLAIMANT FOR DAMAGES
8 INCURRED AS A RESULT OF THAT FAILURE. IN AN ACTION UNDER THIS

1 SECTION, THE CLAIMANT MAY ALSO RECOVER EXEMPLARY DAMAGES, COSTS
2 OF THE ACTION, AND REASONABLE ATTORNEY FEES.

3 (2) AS USED IN THIS SECTION:

4 (A) "INSURER" MEANS ANY OF THE FOLLOWING:

5 (i) AN INSURER AS DEFINED IN AND REGULATED UNDER THE INSUR-
6 ANCE CODE OF 1956, ACT NO. 218 OF THE PUBLIC ACTS OF 1956, BEING
7 SECTIONS 500.100 TO 500.8302 OF THE MICHIGAN COMPILED LAWS.

8 (ii) A HEALTH MAINTENANCE ORGANIZATION AS DEFINED IN PART
9 210 OF THE PUBLIC HEALTH CODE, ACT NO. 368 OF THE PUBLIC ACTS OF
10 1978, BEING SECTIONS 333.21001 TO 333.21098 OF THE MICHIGAN
11 COMPILED LAWS.

12 (iii) A HEALTH CARE CORPORATION AS DEFINED IN THE NONPROFIT
13 HEALTH CARE CORPORATION REFORM ACT, ACT NO. 350 OF THE PUBLIC
14 ACTS OF 1980, BEING SECTIONS 550.1101 TO 550.1704 OF THE MICHIGAN
15 COMPILED LAWS.

16 (iv) A THIRD PARTY ADMINISTRATOR AS DEFINED IN THE THIRD
17 PARTY ADMINISTRATOR ACT, ACT NO. 218 OF THE PUBLIC ACTS OF 1984,
18 BEING SECTIONS 550.901 TO 550.962 OF THE MICHIGAN COMPILED LAWS.

19 (B) "INSURANCE CLAIM" MEANS A CLAIM UNDER ANY OF THE
20 FOLLOWING:

21 (i) AN INSURANCE POLICY REGULATED UNDER ACT NO. 218 OF THE
22 PUBLIC ACTS OF 1956.

23 (ii) A HEALTH MAINTENANCE CONTRACT AS DEFINED IN PART 210 OF
24 ACT NO. 368 OF THE PUBLIC ACTS OF 1978.

25 (iii) A CERTIFICATE AS DEFINED IN ACT NO. 350 OF THE PUBLIC
26 ACTS OF 1980.

1 (*iv*) A BENEFIT PLAN AS DEFINED IN ACT NO. 218 OF THE PUBLIC
2 ACTS OF 1984.