

# HOUSE BILL No. 4098

January 28, 1997, Introduced by Rep. Curtis and referred to the Committee on Insurance.

A bill to amend 1961 PA 236, entitled  
"Revised judicature act of 1961,"  
(MCL 600.101 to 600.9948) by adding section 2963.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 2963. (1) IN ADDITION TO ANY OTHER REMEDIES PROVIDED  
2 BY LAW, AN INSURER WHO FAILS TO NEGOTIATE AND SETTLE AN INSURANCE  
3 CLAIM IN GOOD FAITH IS LIABLE TO THE CLAIMANT FOR DAMAGES  
4 INCURRED AS A RESULT OF THAT FAILURE. IN AN ACTION UNDER THIS  
5 SECTION, THE CLAIMANT MAY ALSO RECOVER EXEMPLARY DAMAGES, COSTS  
6 OF THE ACTION, AND REASONABLE ATTORNEY FEES.  
7           (2) AS USED IN THIS SECTION:  
8           (A) "INSURER" MEANS ANY OF THE FOLLOWING:  
9           (i) AN INSURER AS DEFINED IN AND REGULATED UNDER THE  
10 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.100 TO 500.8302.

1       (ii) A HEALTH MAINTENANCE ORGANIZATION AS DEFINED IN PART  
2 210 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.21001 TO  
3 333.21098.

4       (iii) A HEALTH CARE CORPORATION AS DEFINED IN THE NONPROFIT  
5 HEALTH CARE CORPORATION REFORM ACT, 1980 PA 350, MCL 550.1101 TO  
6 550.1704.

7       (iv) A THIRD PARTY ADMINISTRATOR AS DEFINED IN THE THIRD  
8 PARTY ADMINISTRATOR ACT, 1984 PA 218, MCL 550.901 TO 550.962.

9       (B) "INSURANCE CLAIM" MEANS A CLAIM UNDER ANY OF THE  
10 FOLLOWING:

11       (i) AN INSURANCE POLICY OR CERTIFICATE REGULATED UNDER THE  
12 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.100 TO 500.8302.

13       (ii) A HEALTH MAINTENANCE CONTRACT AS DEFINED IN PART 210 OF  
14 THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.21001 TO 333.21098.

15       (iii) A CERTIFICATE AS DEFINED IN THE NONPROFIT HEALTH CARE  
16 CORPORATION REFORM ACT, 1980 PA 350, MCL 550.1101 TO 550.1704.

17       (iv) A BENEFIT PLAN AS DEFINED IN THE THIRD PARTY ADMINIS-  
18 TRATOR ACT, 1984 PA 218, MCL 550.901 TO 550.962.