

# HOUSE BILL No. 4680

May 13, 1999, Introduced by Reps. Basham, Brater, Stallworth, Hale, Pestka, Rivet, Hardman, Schermesser, DeHart and Lemmons and referred to the Committee on Insurance and Financial Services.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 2128.

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

1        SEC. 2128. (1) IF AN INSURER REFUSES TO PAY AN INSURED FOR  
2 LOSS OR DAMAGE INCURRED AND COVERED UNDER AN AUTOMOBILE OR HOME  
3 INSURANCE POLICY BECAUSE THE INSURER SUSPECTS THE INSURED WAS  
4 INVOLVED IN ARSON OR THEFT CONCERNING THE LOSS OR DAMAGE, THE  
5 INSURER SHALL NOTIFY THE FIRE OR LAW ENFORCEMENT AUTHORITY WITH  
6 JURISDICTION IN THE LOCALE WHERE THE LOSS OR DAMAGE OCCURRED OF  
7 THE INSURER'S SUSPICIONS.

8        (2) IF AN INSURED PREVAILS AFTER TRIAL IN AN ACTION TO  
9 RECOVER UNDER AN INSURANCE POLICY WHERE THE INSURER HAD REFUSED  
10 TO PAY BASED ON SUSPECTED ARSON OR THEFT, THE COURT SHALL AWARD  
11 TO THE INSURED ALL COSTS AND EXPENSES IN BRINGING THE ACTION

1 INCLUDING, BUT NOT LIMITED TO, REASONABLE AND ACTUAL ATTORNEY  
2 FEES AND COURT COSTS.