

**SENATE BILL NO. 394**

February 25, 1999, Introduced by Senator DINGELL and referred to  
the Committee on Financial Services.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 3133.

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

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

4        (A) INTIMIDATE, INDUCE, RECOMMEND, SUGGEST, OR REQUIRE AN  
5 INSURED TO USE A PARTICULAR PERSON, PLACE, SHOP, OR ENTITY FOR  
6 THE PROVIDING OF ANY AUTOMOBILE REPAIR SERVICE OR PRODUCT COVERED  
7 BY THE POLICY.

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

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