

SUBSTITUTE FOR

HOUSE BILL NO. 4127

(As amended December 4, 2003)
(As amended, May 26, 2004)

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 2110b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2110b. (1) An automobile insurance policy and an
2 automobile insurer and its employees, agents, and adjusters shall
3 not unreasonably restrict an insured from using a particular
4 person, place, shop, or entity for the providing of any
5 automobile repair or automobile glass repair or replacement
6 service or product covered by the policy.

7 (2) An automobile insurer [

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10] shall disclose, prior to or at the time a claim is
11 filed with the insurer, <<whether the insurer has>> [an agreement] <<with
any repair or replacement facility to provide a repair or replacement
service or product to an insured>> and

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1 shall inform an insured that he or she is under no obligation to
2 use <a> particular repair or replacement facility.

3 (3) The office of financial and insurance services shall
4 develop a plan whereby the office informs consumers of their
5 rights regarding insurance coverage of automobile repairs, that
6 the insurer is not required to pay more than a reasonable amount
7 for repairs and parts, and of the insured's ability to report
8 violations of their rights to the office of financial and
9 insurance services through the office's toll-free telephone
10 number or website. The plan shall be developed and submitted to
11 the senate and house of representatives standing committees on
12 insurance issues not later than 6 months after the effective date
13 of this section.