

HOUSE BILL No. 5727

March 31, 2004, Introduced by Reps. Taub, Voorhees, Richardville, Huizenga and Hart and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding chapter 21A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 CHAPTER 21A. INSURER INTERESTS IN REPAIR FACILITIES

2 Sec. 2151. As used in this chapter:

3 (a) "Insurer" means an automobile insurer and includes an
4 entity that is an affiliate of the insurer.

5 (b) "Repair facility" means a motor vehicle repair facility
6 as defined in section 2 of the motor vehicle service and repair
7 act, 1974 PA 300, MCL 257.1302.

8 Sec. 2153. Except as provided in this chapter, an insurer
9 may not own or acquire an ownership interest in a repair
10 facility.

11 Sec. 2155. (1) An insurer that has an ownership interest in

1 a repair facility on the effective date of the amendatory act
2 that added this section shall divest itself of any ownership
3 interest in that facility by not later than 2 years after the
4 effective date of the amendatory act that added this section.

5 (2) During the period in which the insurer maintains its
6 interest in the repair facility before the divestiture required
7 under subsection (1), the insurer shall do all of the following:

8 (a) Post a notice in not less than 18-point font at the
9 customer entrance of each of the repair facilities in which the
10 insurer has an ownership interest stating:

11 "This repair facility is owned in whole or in part by (insert
12 name of insurer). You are hereby notified that you are entitled
13 to seek repairs at a repair facility of your choice.".

14 (b) Shall notify an insured in writing at the time a policy
15 is delivered, issued for delivery, or renewed of the insurer's
16 ownership interest and that the insured is entitled to seek
17 repairs at a repair facility of his or her choice.

18 (c) Shall notify an insured verbally at the time a claim is
19 filed of the insured's ownership interest and that the insured is
20 entitled to seek repairs at a repair facility of his or her
21 choice.

22 Sec. 2157. (1) A person, including, but not limited to, a
23 repair facility, aggrieved by a violation of this chapter by an
24 insurer may bring an action for injunctive or other appropriate
25 relief to compel the insurer to comply with this chapter.

26 (2) A plaintiff who prevails in an action under this section
27 is entitled to recover reasonable attorney fees and court costs.