

SENATE BILL No. 1137

March 31, 2004, Introduced by Senators SCOTT, BRATER, SCHAUER, JACOBS, LELAND, THOMAS, BASHAM, CLARK-COLEMAN, SWITALSKI, PRUSI, BARCIA and CLARKE and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 2203.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2203. An insurer obligated to pay benefits or claims
2 under a property and casualty insurance policy has a duty to deal
3 fairly and in good faith with an insured claiming the benefits.
4 An insurer that breaches this duty to deal fairly and in good
5 faith is liable for compensatory, consequential, and exemplary
6 damages proximately caused by the breach.