

HOUSE BILL No. 4230

February 8, 2005, Introduced by Reps. Anderson, Williams, Murphy, Brown, Adamini, Kathleen Law, Hopgood, Bieda, Condino, Kolb, Whitmer, Meisner, Sak, Bennett, Hood and Cheeks 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 sections 4003 and 4403.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 4003. AN INSURER OBLIGATED TO PAY BENEFITS OR CLAIMS
2 UNDER A LIFE INSURANCE POLICY HAS A DUTY TO DEAL FAIRLY AND IN GOOD
3 FAITH WITH ANY PERSON CLAIMING THE BENEFITS. AN INSURER THAT
4 BREACHES THIS DUTY TO DEAL FAIRLY AND IN GOOD FAITH IS LIABLE FOR
5 COMPENSATORY, CONSEQUENTIAL, AND EXEMPLARY DAMAGES PROXIMATELY
6 CAUSED BY THE BREACH.

7 SEC. 4403. AN INSURER OBLIGATED TO PAY BENEFITS OR CLAIMS
8 UNDER A GROUP LIFE INSURANCE POLICY HAS A DUTY TO DEAL FAIRLY AND
9 IN GOOD FAITH WITH ANY PERSON CLAIMING THE BENEFITS. AN INSURER

1 THAT BREACHES THIS DUTY TO DEAL FAIRLY AND IN GOOD FAITH IS LIABLE
2 FOR COMPENSATORY, CONSEQUENTIAL, AND EXEMPLARY DAMAGES PROXIMATELY
3 CAUSED BY THE BREACH.