

Act No. 208
Public Acts of 2006
Approved by the Governor
June 16, 2006
Filed with the Secretary of State
June 19, 2006
EFFECTIVE DATE: June 19, 2006

**STATE OF MICHIGAN
93RD LEGISLATURE
REGULAR SESSION OF 2006**

Introduced by Reps. Polidori, Farhat, Kolb, Taub, Brown, Hood, Marleau, Hansen, Caswell, Gaffney, Hildenbrand, Kahn, Nofs, Caul, Sheltroun, Baxter, Whitmer, Farrah, Byrnes, Huizenga, Stahl, Proos, Rocca, Garfield, Sak, Gleason, Pastor, Stewart, Jones, Angerer, Booher, Gillard, McDowell, Byrum, Zelenko, Vagnozzi, Alma Smith, Lipsey, Nitz, Mortimer, Ball, Amos, Brandenburg, Bieda, Moolenaar, Stakoe, Wenke, David Law, Mayes, Pavlov, Palsrok and Cheeks

ENROLLED HOUSE BILL No. 5870

AN ACT to amend 1956 PA 218, entitled "An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation over worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent

insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce the number of automobile thefts in this state; to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the violation of this act," by amending section 3010 (MCL 500.3010), as added by 2000 PA 413.

The People of the State of Michigan enact:

Sec. 3010. (1) Notwithstanding any other provision of this act, an automobile insurer shall not pay a claim of \$2,000.00 or more for loss or damage caused by fire or explosion to an insured motor vehicle until a report under subsection (2) has been submitted and the insurer has received from the insured a copy of the report.

(2) If an insured motor vehicle suffers loss or damage caused by fire or explosion, the insured shall submit to the fire or law enforcement authority designated by the city, village, or township a report prescribed by the office of financial and insurance services in conjunction with the bureau of fire services created in section 1b of the fire prevention code, 1941 PA 207, MCL 29.1b, that requires information concerning the motor vehicle fire or explosion.

(3) This section does not apply to accidental fires or explosions as determined by the insurer or the fire or law enforcement authority designated by the city, village, or township. If the insurer or the fire or law enforcement authority designated by the city, village, or township determines that the fire or explosion may not be accidental, the insurer or the fire or law enforcement authority designated by the city, village, or township shall notify the insured of the requirement for a report under this section by not later than 30 days after the determination by the insurer or the fire or law enforcement authority designated by the city, village, or township.

(4) This section applies only if the fire or law enforcement authority responsible for investigating the fire or explosion is located in a city, village, or township described in subsection (8) and if the city, village, or township, pursuant to a resolution by its governing body, notifies the commissioner in writing of both of the following:

(a) That the city, village, or township has elected to receive the reports prepared under subsection (2).

(b) The name and address of the fire or law enforcement authority designated by the city, village, or township to receive reports prepared under subsection (2).

(5) The commissioner shall prepare and distribute a list of all cities, villages, and townships that have elected to apply this section to all insurance companies transacting automobile insurance in this state.

(6) A city, village, or township may be added to the list prepared under subsection (5) by submitting a written request containing the information required under subsection (4) to the commissioner. If a written request is received, the commissioner shall prepare and distribute an amended list indicating the addition. The addition shall be effective on the date specified by the commissioner in the amended list. The commissioner shall notify the city, village, township, and all insurers transacting automobile insurance in this state of the effective date of an addition, which shall be not less than 30 days after receipt of the notice by the insurance company. This section does not apply to any loss that occurred before the effective date of the addition.

(7) A city, village, or township may request to be deleted from the list or may cease to apply this section for a period of not less than 6 months upon not less than 30 days' written notice to the commissioner. After receipt of a request to be deleted from the list, the commissioner shall prepare and distribute an amendment to the list indicating the deletion. The deletion shall be effective on the date specified by the commissioner in the amendment. The commissioner shall notify the city, village, township, and all insurers transacting automobile insurance in this state of the effective date of a deletion which shall be effective not less than 30 days after receipt of the notice by the insurance company. A city, village, or township shall continue to apply this section to any loss that occurred before the effective date of the deletion, notwithstanding the deletion.

(8) A city, village, or township may elect to apply this section as provided in subsection (4) and as follows:

(a) If the city, village, or township is located in a county with a population of 425,000 or more.

(b) If the city, village, or township is located in a county with a population of less than 425,000 but the city, village, or township has a population of 50,000 or more.

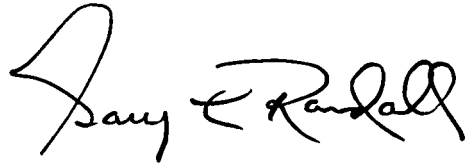
(9) There is no liability on the part of, and a cause of action does not arise against, an insurer or an agent or employee of an insurer for withholding money in the course of complying with or attempting to comply with this section.

Enacting section 1. This amendatory act does not take effect unless all of the following bills of the 93rd Legislature are enacted into law:

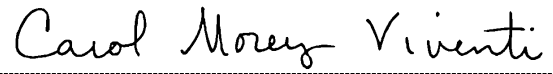
(a) Senate Bill No. 1133.

(b) House Bill No. 5860.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved _____

Governor