

SENATE BILL No. 913

November 20, 2007, Introduced by Senators ANDERSON, PRUSI, OLSHOVE, SCOTT, BRATER, CLARK-COLEMAN, WHITMER, BASHAM and CLARKE and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding sections 2203, 3149, 3400a,
3501a, 3600a, 4003, and 4403.

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. AN
4 INSURER THAT BREACHES THIS DUTY TO DEAL FAIRLY AND IN GOOD FAITH IS
5 LIABLE FOR COMPENSATORY, CONSEQUENTIAL, AND EXEMPLARY DAMAGES
6 PROXIMATELY CAUSED BY THE BREACH.

7 SEC. 3149. AN INSURER OBLIGATED TO PAY BENEFITS OR CLAIMS
8 UNDER AN AUTOMOBILE INSURANCE POLICY HAS A DUTY TO DEAL FAIRLY AND

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

5 SEC. 3400A. AN INSURER OBLIGATED TO PAY BENEFITS OR CLAIMS
6 UNDER A POLICY OF DISABILITY INSURANCE HAS A DUTY TO DEAL FAIRLY
7 AND IN GOOD FAITH WITH AN INSURED CLAIMING THE BENEFITS. AN INSURER
8 THAT BREACHES THIS DUTY TO DEAL FAIRLY AND IN GOOD FAITH IS LIABLE
9 FOR COMPENSATORY, CONSEQUENTIAL, AND EXEMPLARY DAMAGES PROXIMATELY
10 CAUSED BY THE BREACH.

11 SEC. 3501A. A HEALTH MAINTENANCE ORGANIZATION HAS A DUTY TO
12 DEAL FAIRLY AND IN GOOD FAITH WITH AN ENROLLEE CLAIMING BENEFITS
13 UNDER A HEALTH MAINTENANCE ORGANIZATION CONTRACT. A HEALTH
14 MAINTENANCE ORGANIZATION THAT BREACHES THIS DUTY TO DEAL FAIRLY AND
15 IN GOOD FAITH IS LIABLE FOR COMPENSATORY, CONSEQUENTIAL, AND
16 EXEMPLARY DAMAGES PROXIMATELY CAUSED BY THE BREACH.

17 SEC. 3600A. AN INSURER OBLIGATED TO PAY BENEFITS OR CLAIMS
18 UNDER A GROUP DISABILITY INSURANCE POLICY HAS A DUTY TO DEAL FAIRLY
19 AND IN GOOD FAITH WITH AN INSURED CLAIMING THE BENEFITS. AN INSURER
20 THAT BREACHES THIS DUTY TO DEAL FAIRLY AND IN GOOD FAITH IS LIABLE
21 FOR COMPENSATORY, CONSEQUENTIAL, AND EXEMPLARY DAMAGES PROXIMATELY
22 CAUSED BY THE BREACH.

23 SEC. 4003. AN INSURER OBLIGATED TO PAY BENEFITS OR CLAIMS
24 UNDER A LIFE INSURANCE POLICY HAS A DUTY TO DEAL FAIRLY AND IN GOOD
25 FAITH WITH ANY PERSON CLAIMING THE BENEFITS. AN INSURER THAT
26 BREACHES THIS DUTY TO DEAL FAIRLY AND IN GOOD FAITH IS LIABLE FOR
27 COMPENSATORY, CONSEQUENTIAL, AND EXEMPLARY DAMAGES PROXIMATELY

1 CAUSED BY THE BREACH.

2 SEC. 4403. AN INSURER OBLIGATED TO PAY BENEFITS OR CLAIMS
3 UNDER A GROUP LIFE INSURANCE POLICY HAS A DUTY TO DEAL FAIRLY AND
4 IN GOOD FAITH WITH ANY PERSON CLAIMING THE BENEFITS. AN INSURER
5 THAT BREACHES THIS DUTY TO DEAL FAIRLY AND IN GOOD FAITH IS LIABLE
6 FOR COMPENSATORY, CONSEQUENTIAL, AND EXEMPLARY DAMAGES PROXIMATELY
7 CAUSED BY THE BREACH.