

# HOUSE BILL No. 5151

June 25, 2009, Introduced by Reps. Tlaib, Switalski, Roberts, Slavens, Constan, Huckleberry, Johnson, Kandrevas, Slezak, Haugh, Liss, Haase, Womack, Cushingberry, Miller, Jackson, Durhal, Young, Geiss, Stanley, Bledsoe, Segal, Donigan, Coulouris, Bennett, Bettie Scott, Nathan and Lisa Brown 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 section 2090a.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           SEC. 2090A. (1) IF THE COMMISSIONER OR A COURT DETERMINES THAT  
2 AN INSURER HAS ACTED IN BAD FAITH IN FAILING TO TIMELY PAY BENEFITS  
3 UNDER AN INSURANCE POLICY, THE INSURER SHALL SEND A LETTER TO EACH  
4 OF THE 3 LARGEST NATIONAL CONSUMER REPORTING AGENCIES THAT CONTAINS  
5 BOTH OF THE FOLLOWING:

6           (A) A STATEMENT THAT ANY DELINQUENCY BY THE INSURED IN MAKING  
7 A PAYMENT RELATED TO THE INSURER'S ACT OF BAD FAITH IS THE FAULT OF  
8 THE INSURER AND NOT THE INSURED.

9           (B) A REQUEST THAT THE CONSUMER REPORTING AGENCY AMEND THE

1 INSURED'S CREDIT HISTORY ACCORDINGLY.

2 (2) AN INSURER THAT FAILS TO COMPLY WITH SUBSECTION (1) IS  
3 LIABLE TO THE INSURED FOR ALL OF THE FOLLOWING:

4 (A) THE GREATER OF \$10,000.00 OR 3 TIMES THE AMOUNT OF ANY  
5 DAMAGES SUSTAINED BY THE INSURED AS A RESULT OF THE FAILURE.

6 (B) REASONABLE ATTORNEY FEES INCURRED BY THE INSURED IN  
7 ENFORCING THE LIABILITY UNDER THIS SECTION.

8 (3) AS USED IN THIS SECTION:

9 (A) "BAD FAITH" MEANS THAT TERM AS DEFINED IN SECTION 2090.

10 (B) "CONSUMER REPORTING AGENCY" MEANS THAT TERM AS DEFINED IN  
11 SECTION 603 OF THE FAIR CREDIT REPORTING ACT, 15 USC 1681A.