

SENATE BILL No. 440

April 2, 2009, Introduced by Senators THOMAS, SCOTT, HUNTER, ANDERSON, OLSHOVE, JACOBS, BARCIA and CHERRY 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 chapter 21A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 **CHAPTER 21A. INSURER INTERESTS IN REPAIR FACILITIES**

2 **SEC. 2151. AS USED IN THIS CHAPTER:**

3 **(A) "INSURER" MEANS AN AUTOMOBILE INSURER AND INCLUDES AN**
4 **ENTITY THAT IS AN AFFILIATE OF THE INSURER.**

5 **(B) "REPAIR FACILITY" MEANS A MOTOR VEHICLE REPAIR FACILITY AS**
6 **DEFINED IN SECTION 2 OF THE MOTOR VEHICLE SERVICE AND REPAIR ACT,**
7 **1974 PA 300, MCL 257.1302.**

8 **SEC. 2153. EXCEPT AS PROVIDED IN THIS CHAPTER, AN INSURER MAY**
9 **NOT OWN OR ACQUIRE AN OWNERSHIP INTEREST IN A REPAIR FACILITY.**

10 **SEC. 2155. (1) AN INSURER THAT HAS AN OWNERSHIP INTEREST IN A**

1 REPAIR FACILITY ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
2 ADDED THIS CHAPTER SHALL DIVEST ITSELF OF ANY OWNERSHIP INTEREST IN
3 THAT FACILITY BY DECEMBER 31, 2010.

4 (2) DURING THE PERIOD IN WHICH THE INSURER MAINTAINS ITS
5 INTEREST IN THE REPAIR FACILITY BEFORE THE DIVESTITURE REQUIRED
6 UNDER SUBSECTION (1), THE INSURER SHALL DO ALL OF THE FOLLOWING:

7 (A) POST A NOTICE IN NOT LESS THAN 18-POINT FONT AT THE
8 CUSTOMER ENTRANCE OF EACH OF THE REPAIR FACILITIES IN WHICH THE
9 INSURER HAS AN OWNERSHIP INTEREST STATING:

10 "THIS REPAIR FACILITY IS OWNED IN WHOLE OR IN PART BY (INSERT
11 NAME OF INSURER). YOU ARE HEREBY NOTIFIED THAT YOU ARE ENTITLED TO
12 SEEK REPAIRS AT A REPAIR FACILITY OF YOUR CHOICE."

13 (B) SHALL NOTIFY AN INSURED IN WRITING AT THE TIME A POLICY IS
14 DELIVERED, ISSUED FOR DELIVERY, OR RENEWED OF THE INSURER'S
15 OWNERSHIP INTEREST AND THAT THE INSURED IS ENTITLED TO SEEK REPAIRS
16 AT A REPAIR FACILITY OF HIS OR HER CHOICE.

17 (C) SHALL NOTIFY AN INSURED VERBALLY AT THE TIME A CLAIM IS
18 FILED OF THE INSURED'S OWNERSHIP INTEREST AND THAT THE INSURED IS
19 ENTITLED TO SEEK REPAIRS AT A REPAIR FACILITY OF HIS OR HER CHOICE.

20 SEC. 2157. (1) A PERSON, INCLUDING, BUT NOT LIMITED TO, A
21 REPAIR FACILITY, AGGRIEVED BY A VIOLATION OF THIS CHAPTER BY AN
22 INSURER MAY BRING AN ACTION FOR INJUNCTIVE OR OTHER APPROPRIATE
23 RELIEF TO COMPEL THE INSURER TO COMPLY WITH THIS CHAPTER.

24 (2) A PLAINTIFF WHO PREVAILS IN AN ACTION UNDER THIS SECTION
25 IS ENTITLED TO RECOVER REASONABLE ATTORNEY FEES AND COURT COSTS.

26 SEC. 2159. AN INSURER SHALL NOT DEVELOP A LIST OF PREFERRED
27 REPAIR FACILITIES OR IN ANY OTHER WAY CONVEY TO AN INSURED

1 INFORMATION REGARDING WHICH REPAIR FACILITY THE INSURED SHOULD SEEK
2 REPAIRS FROM IN THE EVENT OF A CLAIM.