

HOUSE BILL No. 5523

May 6, 2014, Introduced by Reps. Lipton, Hovey-Wright, Segal, Hobbs, Rutledge, LaVoy, Slavens, Phelps, Faris, Darany, Brown and Oakes 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 2027d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2027D. (1) IF A PROPERTY OR CASUALTY INSURER IS FOUND IN
2 AN ACTION UNDER SECTION 2027C TO HAVE UNDERTAKEN AN UNFAIR METHOD
3 OF COMPETITION, AN UNFAIR OR DECEPTIVE ACT OR PRACTICE, OR ANY
4 OTHER CONDUCT PROHIBITED BY SECTIONS 2001 TO 2050, OR IS FOUND TO
5 HAVE FAILED TO PAY BENEFITS IN A TIMELY MANNER AS DESCRIBED IN
6 SECTION 2027A(2), THERE IS A PRESUMPTION THAT THE PROPERTY OR
7 CASUALTY INSURER WAS ACTING IN BAD FAITH. THE PRESUMPTION CREATED
8 BY THIS SECTION PLACES THE BURDEN OF DISPROVING THE BAD FAITH ON
9 THE PROPERTY OR CASUALTY INSURER.

10 (2) IF IT IS DETERMINED THAT A PROPERTY OR CASUALTY INSURER

1 WAS ACTING IN BAD FAITH AS PROVIDED IN THIS SECTION, THE INDIVIDUAL
2 WHO BROUGHT THE ACTION IS ENTITLED TO ALL OF THE FOLLOWING:

3 (A) INTEREST UNDER SECTION 2006(4).

4 (B) DAMAGES AND COSTS UNDER SECTION 2203.

5 (C) ATTORNEY FEES AND PUNITIVE DAMAGES UNDER SECTION 2027A.

6 (D) DAMAGES AND COSTS UNDER SECTION 3149.

7 (3) AS USED IN THIS SECTION, "PROPERTY OR CASUALTY INSURER"
8 MEANS A HOME INSURER, AN AUTOMOBILE INSURER, A COMMERCIAL PROPERTY
9 INSURER, OR A WORKER'S COMPENSATION INSURER.

10 Enacting section 1. This amendatory act does not take effect
11 unless all of the following bills of the 97th Legislature are
12 enacted into law:

13 (a) Senate Bill No.____ or House Bill No. 5518 (request no.
14 03844'13).

15 (b) Senate Bill No.____ or House Bill No.____ (request no.
16 03846'13).

17 (c) Senate Bill No.____ or House Bill No.____ (request no.
18 03846'13 a).

19 (d) Senate Bill No.____ or House Bill No. 5521 (request no.
20 03849'13).

21 (e) Senate Bill No.____ or House Bill No. 5525 (request no.
22 03850'13).

23 (f) Senate Bill No.____ or House Bill No. 5522 (request no.
24 03944'13).

25 (g) Senate Bill No.____ or House Bill No. 5520 (request no.
26 03945'13).

27 (h) Senate Bill No.____ or House Bill No. 5519 (request no.

1 03946'13).