

SENATE BILL NO. 552

June 3, 1997, Introduced by Senator DINGELL and referred
to the Committee on Financial Services.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 3133.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 3133. (1) AN AUTOMOBILE INSURANCE POLICY AND AN AUTO-
2 MOBILE INSURER AND ITS EMPLOYEES, AGENTS, AND ADJUSTERS SHALL NOT
3 DO EITHER OF THE FOLLOWING:
4 (A) INTIMIDATE, INDUCE, RECOMMEND, SUGGEST, OR REQUIRE AN
5 INSURED TO USE A PARTICULAR PERSON, PLACE, SHOP, OR ENTITY FOR
6 THE PROVIDING OF ANY AUTOMOBILE REPAIR SERVICE OR PRODUCT COVERED
7 BY THE POLICY.
8 (B) INTIMIDATE, INDUCE, RECOMMEND, SUGGEST, OR REQUIRE AN
9 INSURED TO USE A PARTICULAR BRAND, TYPE, KIND, AGE, OR CONDITION
10 OF PARTS FOR A PART COVERED BY THE POLICY.

1 (2) AN AUTOMOBILE INSURER SHALL FULLY AND PROMPTLY PAY FOR
2 THE COST OF ANY COVERED AUTOMOBILE REPAIR SERVICE OR PRODUCT LESS
3 ANY APPLICABLE DEDUCTIBLE AT NOT LESS THAN THE PREVAILING OR GEN-
4 ERALLY FOUND MARKET PRICE IN THE AREA FOR SIMILARLY SITUATED
5 AUTOMOBILE REPAIR SERVICES OR PRODUCTS. THE PREVAILING OR GENER-
6 ALLY FOUND MARKET PRICE IN THE AREA SHALL NOT BE LIMITED TO THE
7 LOWEST PRICE AND SHALL NOT TAKE INTO CONSIDERATION ANY SPECIAL
8 PRICE OR SERVICE ARRANGEMENT OFFERED BY THE PARTICULAR PERSON,
9 PLACE, SHOP, OR ENTITY. AN AUTOMOBILE INSURER SHALL NOT FAIL TO
10 FULLY AND PROMPTLY PAY FOR THE COST OF ANY COVERED AUTOMOBILE
11 REPAIR SERVICE OR PRODUCT BECAUSE OF AN INSURED'S SELECTION OF A
12 PARTICULAR PERSON, PLACE, SHOP, OR ENTITY TO PROVIDE THE COVERED
13 AUTOMOBILE REPAIR SERVICE OR PRODUCT.