

SENATE BILL NO. 332

February 18, 1999, Introduced by Senator BYRUM and referred to the Committee on Judiciary.

A bill to amend 1961 PA 236, entitled
"Revised judicature act of 1961,"
(MCL 600.101 to 600.9948) by adding section 2968.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2968. (1) IN ADDITION TO ANY OTHER REMEDIES PROVIDED
2 BY LAW, AN INSURER WHO FAILS TO NEGOTIATE AND SETTLE AN INSURANCE
3 CLAIM IN GOOD FAITH IS LIABLE TO THE CLAIMANT FOR DAMAGES
4 INCURRED AS A RESULT OF THAT FAILURE. IN AN ACTION UNDER THIS
5 SECTION, THE CLAIMANT MAY ALSO RECOVER EXEMPLARY DAMAGES, COSTS
6 OF THE ACTION, AND REASONABLE ATTORNEY FEES.
7 (2) AS USED IN THIS SECTION:
8 (A) "INSURER" MEANS ANY OF THE FOLLOWING:
9 (i) AN INSURER AS DEFINED IN AND REGULATED UNDER THE
10 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.100 TO 500.8302.

1 (ii) A HEALTH MAINTENANCE ORGANIZATION AS DEFINED IN PART
2 210 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.21001 TO
3 333.21098.

4 (iii) A HEALTH CARE CORPORATION AS DEFINED IN THE NONPROFIT
5 HEALTH CARE CORPORATION REFORM ACT, 1980 PA 350, MCL 550.1101 TO
6 550.1704.

7 (iv) A THIRD PARTY ADMINISTRATOR AS DEFINED IN THE THIRD
8 PARTY ADMINISTRATOR ACT, 1984 PA 218, MCL 550.901 TO 550.962.

9 (B) "INSURANCE CLAIM" MEANS A CLAIM UNDER ANY OF THE
10 FOLLOWING:

11 (i) AN INSURANCE POLICY OR CERTIFICATE REGULATED UNDER THE
12 INSURANCE CODE OF 1956, 1956 PA 218, MCL 500.100 TO 500.8302.

13 (ii) A HEALTH MAINTENANCE CONTRACT AS DEFINED IN PART 210 OF
14 THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.21001 TO 333.21098.

15 (iii) A CERTIFICATE AS DEFINED IN THE NONPROFIT HEALTH CARE
16 CORPORATION REFORM ACT, 1980 PA 350, MCL 550.1101 TO 550.1704.

17 (iv) A BENEFIT PLAN AS DEFINED IN THE THIRD PARTY ADMINIS-
18 TRATOR ACT, 1984 PA 218, MCL 550.901 TO 550.962.