

# SENATE BILL No. 19

January 30, 2001, Introduced by Senator BYRUM and referred to the Committee on Health Policy.

A bill to amend 1961 PA 236, entitled  
"Revised judicature act of 1961,"  
(MCL 600.101 to 600.9948) by adding section 2972.

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

1        SEC. 2972. (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 OR A HEALTH MAINTENANCE ORGANIZATION AS  
10 DEFINED IN AND REGULATED UNDER THE INSURANCE CODE OF 1956, 1956  
11 PA 218, MCL 500.100 TO 500.8302.

1           (ii) A HEALTH CARE CORPORATION AS DEFINED IN THE NONPROFIT  
2 HEALTH CARE CORPORATION REFORM ACT, 1980 PA 350, MCL 550.1101 TO  
3 550.1704.

4           (iii) A THIRD PARTY ADMINISTRATOR AS DEFINED IN THE THIRD  
5 PARTY ADMINISTRATOR ACT, 1984 PA 218, MCL 550.901 TO 550.962.

6           (B) "INSURANCE CLAIM" MEANS A CLAIM UNDER ANY OF THE  
7 FOLLOWING:

8           (i) AN INSURANCE POLICY OR CERTIFICATE OR A HEALTH MAINTENANCE ORGANIZATION CONTRACT REGULATED UNDER THE INSURANCE CODE OF  
9 1956, 1956 PA 218, MCL 500.100 TO 500.8302.

11           (ii) A CERTIFICATE AS DEFINED IN THE NONPROFIT HEALTH CARE  
12 CORPORATION REFORM ACT, 1980 PA 350, MCL 550.1101 TO 550.1704.

13           (iii) A BENEFIT PLAN AS DEFINED IN THE THIRD PARTY ADMINISTRATOR ACT, 1984 PA 218, MCL 550.901 TO 550.962.