



# HOUSE BILL No. 5857

May 30, 2000, Introduced by Reps. DeHart, Kelly, Kuipers, Richardville and Hale and referred to the Committee on Insurance and Financial Services.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 2110a (MCL 500.2110a), as added by 1996 PA 514, and by adding section 3133.

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

1       Sec. 2110a. If uniformly applied to all its insureds, an  
2 insurer may establish and maintain a premium discount plan uti-  
3 lizing factors in addition to those permitted by section 2111 for  
4 insurance if the plan is consistent with the purposes of this act  
5 and reflects reasonably anticipated reductions in losses or  
6 expenses. This section does not affect benefits or obligations  
7 required under chapter 31. Nothing in this section authorizes an  
8 insurer to offer or prohibits an insurer from offering premium  
9 discount plans concerning ~~any of the following: (a) Health~~

1 HEALTH care services, health care providers, or health care  
2 facilities.

3 ~~(b) Automobile repair providers.~~

4 ~~(c) Materials used in the repair of an automobile.~~

5 SEC. 3133. (1) AN AUTOMOBILE INSURANCE POLICY AND AN AUTO-  
6 MOBILE INSURER AND ITS EMPLOYEES, AGENTS, AND ADJUSTERS SHALL NOT  
7 DO EITHER OF THE FOLLOWING:

8 (A) INTIMIDATE, INDUCE, RECOMMEND, SUGGEST, OR REQUIRE AN  
9 INSURED TO USE A PARTICULAR PERSON, PLACE, SHOP, OR ENTITY TO  
10 PROVIDE ANY AUTOMOBILE REPAIR OR GLASS REPLACEMENT SERVICE OR  
11 PRODUCT COVERED BY THE POLICY.

12 (B) INTIMIDATE, INDUCE, RECOMMEND, SUGGEST, OR REQUIRE AN  
13 INSURED TO USE A PARTICULAR BRAND, TYPE, KIND, AGE, OR CONDITION  
14 OF PARTS FOR A PART COVERED BY THE POLICY.

15 (2) AN AUTOMOBILE INSURER SHALL FULLY AND PROMPTLY PAY FOR  
16 THE COST OF ANY COVERED AUTOMOBILE REPAIR OR GLASS REPLACEMENT  
17 SERVICE OR PRODUCT LESS ANY APPLICABLE DEDUCTIBLE AT NOT LESS  
18 THAN THE PREVAILING OR GENERALLY FOUND MARKET PRICE IN THE AREA  
19 FOR SIMILARLY SITUATED AUTOMOBILE REPAIR OR GLASS REPLACEMENT  
20 SERVICES OR PRODUCTS. THE PREVAILING OR GENERALLY FOUND MARKET  
21 PRICE IN THE AREA SHALL NOT BE LIMITED TO THE LOWEST PRICE AND  
22 SHALL NOT TAKE INTO CONSIDERATION ANY SPECIAL PRICE OR SERVICE  
23 ARRANGEMENT OFFERED BY THE PARTICULAR PERSON, PLACE, SHOP, OR  
24 ENTITY. AN AUTOMOBILE INSURER SHALL DISCLOSE TO EACH INSURED HIS  
25 OR HER RIGHT TO CHOOSE ANY AUTOMOBILE REPAIR OR GLASS REPLACEMENT  
26 FACILITY AND SHALL NOT FAIL TO FULLY AND PROMPTLY PAY FOR THE  
27 COST OF ANY COVERED AUTOMOBILE REPAIR OR GLASS REPLACEMENT

1 SERVICE OR PRODUCT BECAUSE OF AN INSURED'S SELECTION OF A  
2 PARTICULAR PERSON, PLACE, SHOP, OR ENTITY TO PROVIDE THE COVERED  
3 AUTOMOBILE REPAIR OR GLASS REPLACEMENT SERVICE OR PRODUCT.