



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bill 306 (Substitute S-3 as reported by the Committee of the Whole)
Sponsor: Senator Joe Hune
Committee: Insurance

CONTENT

The bill would amend the Insurance Code to do the following:

- Provide that a third-party biller could not provide automobile glass repair or replacement services for an insurer unless the biller adopted a code of conduct and followed it when processing, paying, administering, or monitoring such a service for the insurer.
- Require a third-party biller to provide to each network glass repair or replacement facility an annual report pertaining to automobile glass repair and replacement claims.

The code of conduct would have to comply with all of the following:

- If an insured stated a preference for a glass repair or replacement facility and the facility were a network provider for the third-party biller, no other repair or replacement facility could be suggested.
- The third-party biller would not close its network to new applicants if the network contained glass repair or replacement facilities that were owned by, related to, or affiliated with the biller.
- If an insured did not state a preference for a facility, or if the preferred facility were not a network facility for the biller, the biller would have to advise the insured that he or she had the right to choose any facility, and the biller could not threaten, coerce, or intimidate the insured into selecting a particular facility.

Proposed MCL 500.2110c

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 1-25-12

Fiscal Analyst: Josh Sefton