

SUBSTITUTE FOR
SENATE BILL NO. 306

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 2110c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2110C. (1) AS USED IN THIS SECTION:

2 (A) "RELATED TO OR AFFILIATED WITH" MEANS THAT THE FACILITY IS
3 RELATED TO OR AFFILIATED WITH THE THIRD PARTY BILLER BY STOCK
4 OWNERSHIP, LICENSE AGREEMENT, OR DIRECT FAMILY OWNERSHIP.

5 (B) "THIRD PARTY BILLER" MEANS A PERSON THAT MEETS ALL OF THE
6 FOLLOWING:

7 (i) PROCESSES, PAYS, ADMINISTERS, OR MONITORS THE PAYMENT OF
8 AUTOMOBILE GLASS CLAIMS ON BEHALF, DIRECTLY OR INDIRECTLY, OF AN
9 AUTOMOBILE INSURER WITH A CERTIFICATE OF AUTHORITY IN THIS STATE.

10 (ii) IS NOT AN AUTOMOBILE INSURER.

11 (iii) IS NOT A PERSON WHO HOLDS A DEALER LICENSE AS THAT TERM IS

1 DEFINED IN SECTION 11B OF THE MICHIGAN VEHICLE CODE, 1949 PA 300,
2 MCL 257.11B.

3 (2) A THIRD PARTY BILLER SHALL NOT PROVIDE AUTOMOBILE GLASS
4 REPAIR OR REPLACEMENT SERVICES FOR AN INSURER UNLESS THE THIRD
5 PARTY BILLER ADOPTS AND FOLLOWS, WHEN PROCESSING, PAYING,
6 ADMINISTERING, OR MONITORING AN AUTOMOBILE GLASS REPAIR OR
7 REPLACEMENT SERVICE FOR THE AUTOMOBILE INSURER, A CODE OF CONDUCT
8 THAT COMPLIES WITH ALL OF THE FOLLOWING:

9 (A) IF AN INSURED STATES A PREFERENCE FOR AN AUTOMOBILE GLASS
10 REPAIR OR REPLACEMENT FACILITY AND THAT FACILITY IS A NETWORK
11 FACILITY FOR THE THIRD PARTY BILLER, NO OTHER REPAIR OR REPLACEMENT
12 FACILITY SHALL BE SUGGESTED.

13 (B) IF AN INSURED DOES NOT STATE A PREFERENCE FOR AN
14 AUTOMOBILE GLASS REPAIR OR REPLACEMENT FACILITY, OR IF THE
15 PREFERRED REPAIR OR REPLACEMENT FACILITY IS NOT A NETWORK FACILITY
16 FOR THE THIRD PARTY BILLER, THE THIRD PARTY BILLER SHALL ADVISE THE
17 INSURED THAT THE INSURED HAS THE RIGHT TO CHOOSE ANY REPAIR OR
18 REPLACEMENT FACILITY AND THE THIRD PARTY BILLER SHALL NOT THREATEN,
19 COERCE, OR INTIMIDATE THE INSURED INTO SELECTING A PARTICULAR
20 REPAIR OR REPLACEMENT FACILITY.

21 (C) THE THIRD PARTY BILLER WILL NOT CLOSE ITS NETWORK TO NEW
22 APPLICANTS IF THE NETWORK CONTAINS AUTOMOBILE GLASS REPAIR OR
23 REPLACEMENT FACILITIES THAT ARE OWNED BY OR RELATED TO OR
24 AFFILIATED WITH THE THIRD PARTY BILLER.

25 (3) A THIRD PARTY BILLER SHALL, BY JANUARY 15 EACH YEAR,
26 PROVIDE A REPORT TO EACH AUTOMOBILE GLASS REPAIR OR REPLACEMENT
27 FACILITY THAT IS A NETWORK FACILITY FOR THE THIRD PARTY BILLER THAT

1 INCLUDES ALL OF THE FOLLOWING INFORMATION:

2 (A) A STATEMENT OF OWNERSHIP.

3 (B) THE TOTAL NUMBER OF AUTOMOBILE GLASS REPAIR OR REPLACEMENT
4 CLAIMS FOR EACH AUTOMOBILE INSURER THAT WERE PROCESSED, PAID,
5 ADMINISTERED, OR MONITORED IN THE PRECEDING YEAR.

6 (C) THE NUMBER OF CLAIMS IN THE PRECEDING YEAR THAT WERE FOR
7 GLASS REPAIR AND THE NUMBER THAT WERE FOR GLASS REPLACEMENT.

8 (D) THE NUMBER OF GLASS REPAIR OR REPLACEMENT CLAIMS IN THE
9 PRECEDING YEAR THAT WERE PROCESSED FOR EACH AUTOMOBILE INSURER
10 PURSUANT TO SUBSECTION (2) (A) AND THE NAMES OF THE AUTOMOBILE GLASS
11 REPAIR OR REPLACEMENT FACILITIES FOR WHOM A PREFERENCE WAS STATED.

12 (E) THE NUMBER OF GLASS REPAIR OR REPLACEMENT CLAIMS IN THE
13 PRECEDING YEAR THAT WERE PROCESSED FOR EACH AUTOMOBILE INSURER
14 PURSUANT TO SUBSECTION (2) (B) AND, FOR EACH CLAIM, THE FACILITY
15 NAMES GIVEN TO THE INSURED, AND THE NAME OF THE CHOSEN FACILITY.