

SENATE BILL No. 268

March 16, 2011, Introduced by Senator SMITH and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding chapter 21A.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

CHAPTER 21A. INSURER INTERESTS IN REPAIR FACILITIES

SEC. 2151. AS USED IN THIS CHAPTER:

(A) "INSURER" MEANS AN AUTOMOBILE INSURER AND INCLUDES AN
ENTITY THAT IS AN AFFILIATE OF THE INSURER.

(B) "REPAIR FACILITY" MEANS A MOTOR VEHICLE REPAIR FACILITY AS
DEFINED IN SECTION 2 OF THE MOTOR VEHICLE SERVICE AND REPAIR ACT,
1974 PA 300, MCL 257.1302.

SEC. 2153. EXCEPT AS PROVIDED IN THIS CHAPTER, AN INSURER MAY
NOT OWN OR ACQUIRE AN OWNERSHIP INTEREST IN A REPAIR FACILITY.

SEC. 2155. (1) AN INSURER THAT HAS AN OWNERSHIP INTEREST IN A

1 REPAIR FACILITY ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
2 ADDED THIS CHAPTER SHALL DIVEST ITSELF OF ANY OWNERSHIP INTEREST IN
3 THAT FACILITY BY DECEMBER 31, 2012.

4 (2) DURING THE PERIOD IN WHICH THE INSURER MAINTAINS ITS
5 INTEREST IN THE REPAIR FACILITY BEFORE THE DIVESTITURE REQUIRED
6 UNDER SUBSECTION (1), THE INSURER SHALL DO ALL OF THE FOLLOWING:

7 (A) POST A NOTICE IN NOT LESS THAN 18-POINT FONT AT THE
8 CUSTOMER ENTRANCE OF EACH OF THE REPAIR FACILITIES IN WHICH THE
9 INSURER HAS AN OWNERSHIP INTEREST STATING:

10 "THIS REPAIR FACILITY IS OWNED IN WHOLE OR IN PART BY (INSERT
11 NAME OF INSURER). YOU ARE HEREBY NOTIFIED THAT YOU ARE ENTITLED TO
12 SEEK REPAIRS AT A REPAIR FACILITY OF YOUR CHOICE."

13 (B) NOTIFY AN INSURED IN WRITING AT THE TIME A POLICY IS
14 DELIVERED, ISSUED FOR DELIVERY, OR RENEWED OF THE INSURER'S
15 OWNERSHIP INTEREST AND THAT THE INSURED IS ENTITLED TO SEEK REPAIRS
16 AT A REPAIR FACILITY OF HIS OR HER CHOICE.

17 (C) NOTIFY AN INSURED VERBALLY AT THE TIME A CLAIM IS FILED OF
18 THE INSURED'S OWNERSHIP INTEREST AND THAT THE INSURED IS ENTITLED
19 TO SEEK REPAIRS AT A REPAIR FACILITY OF HIS OR HER CHOICE.

20 SEC. 2157. (1) A PERSON, INCLUDING, BUT NOT LIMITED TO, A
21 REPAIR FACILITY, AGGRIEVED BY A VIOLATION OF THIS CHAPTER BY AN
22 INSURER MAY BRING AN ACTION FOR INJUNCTIVE OR OTHER APPROPRIATE
23 RELIEF TO COMPEL THE INSURER TO COMPLY WITH THIS CHAPTER.

24 (2) A PLAINTIFF WHO PREVAILS IN AN ACTION UNDER THIS SECTION
25 IS ENTITLED TO RECOVER REASONABLE ATTORNEY FEES AND COURT COSTS.

26 SEC. 2159. AN INSURER SHALL NOT DEVELOP A LIST OF PREFERRED
27 REPAIR FACILITIES OR IN ANY OTHER WAY CONVEY TO AN INSURED

- 1 INFORMATION REGARDING WHICH REPAIR FACILITY THE INSURED SHOULD SEEK
- 2 REPAIRS FROM IN THE EVENT OF A CLAIM.