

HOUSE BILL NO. 6003

April 12, 2022, Introduced by Reps. Weiss, Rabhi, Rogers, Cavanagh, Hood, Stone, Sneller, Tyrone Carter, Steckloff, Brabec, Cynthia Johnson, O'Neal, Thanedar, Koleszar, LaGrand, Neeley, Sowerby, Brixie, Hope, Aiyash, Pohutsky, Breen, Haadsma, Cherry, Morse, Puri, Green, Peterson, Young and Jones and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3142 (MCL 500.3142), as amended by 2019 PA 21.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3142. (1) Personal protection insurance benefits are
2 payable as loss accrues.

3 (2) Subject to subsection (3), personal protection insurance
4 benefits are overdue if not paid within 30 days after an insurer
5 receives reasonable proof of the fact and of the amount of loss
6 sustained. Subject to subsection (3), if reasonable proof is not

1 supplied as to the entire claim, the amount supported by reasonable
2 proof is overdue if not paid within 30 days after the proof is
3 received by the insurer. Subject to subsection (3), any part of the
4 remainder of the claim that is later supported by reasonable proof
5 is overdue if not paid within 30 days after the proof is received
6 by the insurer. For the purpose of calculating the extent to which
7 benefits are overdue, payment must be treated as made on the date a
8 draft or other valid instrument was placed in the United States
9 mail in a properly addressed, postpaid envelope, or, if not so
10 posted, on the date of delivery.

11 (3) For personal protection insurance benefits under section
12 3107(1)(a), if a bill for the product, service, accommodations, or
13 training is not provided to the insurer within 90 days after the
14 product, service, accommodations, or training is provided, the
15 insurer has 60 days in addition to 30 days provided under
16 subsection (2) to pay before the benefits are overdue.

17 (4) An overdue payment bears simple interest at the rate of
18 12% per annum.

19 **(5) An insurer shall not reject or fail to pay a claim if the**
20 **only reason for doing so is that the claimant did not submit proof**
21 **of loss using the insurer's preferred format or on the insurer's**
22 **preferred form.**