

SENATE BILL No. 819

November 4, 2003, Introduced by Senators TOY, BISHOP, CLARKE, SANBORN, OLSHOVE, GILBERT, GEORGE, GARCIA, CROUSEY, BIRKHOLZ, LELAND, JELINEK, PRUSI, SCOTT, CLARK-COLEMAN and HAMMERSTROM and referred to the Committee on Banking and Financial Institutions.

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:

1 CHAPTER 21A. INSURER INTERESTS IN REPAIR FACILITIES

2 Sec.2151. As used in this chapter:

3 (a) "Insurer" means an automobile insurer and includes an
4 entity that is an affiliate of the insurer.

5 (b) "Repair facility" means a motor vehicle repair facility
6 as defined in section 2 of the motor vehicle service and repair
7 act, 1974 PA 300, MCL 257.1302.

8 Sec. 2153. Except as provided in this chapter, an insurer
9 may not own or acquire an ownership interest in a repair
10 facility.

11 Sec. 2155. (1) An insurer that has an ownership interest in
12 a repair facility on the effective date of the amendatory act
13 that added this section shall divest itself of any ownership
14 interest in that facility by not later than 2 years after the
15 effective date of the amendatory act that added this section.

16 (2) During the period in which the insurer maintains its
17 interest in the repair facility before the divestiture required
18 under subsection (1), the insurer shall do all of the following:

19 (a) Post a notice in not less than 18-point font at the
20 customer entrance of each of the repair facilities in which the
21 insurer has an ownership interest stating:
22 his repair facility is owned in whole or in part by (insert
23 name of insurer). You are hereby notified that you are entitled
24 to seek repairs at a repair facility of your choice."

25 (b) Shall notify an insured in writing at the time a policy
26 is delivered, issued for delivery, or renewed of the insurer's
27 ownership interest and that the insured is entitled to seek
28 repairs at a repair facility of his or her choice.

29 (c) Shall notify an insured verbally at the time a claim is
30 filed of the insured's ownership interest and that the insured is
31 entitled to seek repairs at a repair facility of his or her
32 choice.

33 Sec. 2157. (1) A person, including, but not limited to, a
34 repair facility, aggrieved by a violation of this chapter by an
35 insurer may bring an action for injunctive or other appropriate
36 relief to compel the insurer to comply with this chapter.

37 (2) A plaintiff who prevails in an action under this section
38 is entitled to recover reasonable attorney fees and court costs.