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AUTO INSURANCE: INSURED'S CHOICE OF REPAIR FACILITY

House Bill 5646

Sponsor: Rep. Ken Daniels

**Committee: Insurance and Financial
Services**

Complete to 8-21-00

A SUMMARY OF HOUSE BILL 5646 AS INTRODUCED 4-18-00

The bill would amend Chapter 21 of the Insurance Code to prohibit an automobile insurance policy or an auto insurer and its employees, agents, and adjusters from:

- intimidating, inducing, recommending, suggesting, or requiring an insured to use a particular person, place, shop, or entity for the providing of any automobile repair or automobile glass repair or replacement service or product covered by the policy; or
- intimidating, inducing, recommending, suggesting, or requiring an insured to use a particular brand, type, kind, age, or condition of parts for a part or glass covered by the policy.

The bill also would require an auto insurer to fully and promptly pay for the cost of any covered automobile repair service or product, including glass repair or replacement, less any applicable deductible, at not less than the prevailing or generally found market price in the area for similarly situated auto repair or auto glass repair or replacement services or products. Such a market price could not be limited to the lowest price and could not take into consideration any special price or service arrangement offered by the particular person, place, shop, or entity.

Under the bill, an auto insurer could not fail to fully and promptly pay for the cost of any covered auto repair or glass repair or replacement service or product because of an insured's selection of a particular person, place, shop, or entity to provide the covered repair, service, or product.

MCL 550.2110b

Analyst: C. Couch

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