

SUBSTITUTE FOR
HOUSE BILL NO. 5146

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 2027d.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2027D. (1) IF A PROPERTY OR CASUALTY INSURER IS FOUND IN
2 AN ACTION UNDER SECTION 2027C TO HAVE UNDERTAKEN AN UNFAIR METHOD
3 OF COMPETITION, AN UNFAIR OR DECEPTIVE ACT OR PRACTICE, OR ANY
4 OTHER CONDUCT PROHIBITED BY SECTIONS 2001 TO 2050, OR IS FOUND TO
5 HAVE FAILED TO PAY BENEFITS IN A TIMELY MANNER AS DESCRIBED IN
6 SECTION 2027A(2), THERE IS A PRESUMPTION THAT THE PROPERTY OR
7 CASUALTY INSURER WAS ACTING IN BAD FAITH. THE PRESUMPTION CREATED
8 BY THIS SECTION PLACES THE BURDEN OF DISPROVING THE BAD FAITH ON
9 THE PROPERTY OR CASUALTY INSURER.
10 (2) IF IT IS DETERMINED THAT A PROPERTY OR CASUALTY INSURER

1 WAS ACTING IN BAD FAITH AS PROVIDED IN THIS SECTION, THE INDIVIDUAL
2 WHO BROUGHT THE ACTION IS ENTITLED TO ALL OF THE FOLLOWING:

3 (A) INTEREST UNDER SECTION 2006(4).

4 (B) DAMAGES AND COSTS UNDER SECTION 2203.

5 (C) ATTORNEY FEES AND PUNITIVE DAMAGES UNDER SECTION 2027A.

6 (D) DAMAGES AND COSTS UNDER SECTION 3149.

7 (3) AS USED IN THIS SECTION, "PROPERTY OR CASUALTY INSURER"
8 MEANS A HOME INSURER, AN AUTOMOBILE INSURER, A COMMERCIAL PROPERTY
9 INSURER, OR A WORKERS COMPENSATION INSURER.

10 Enacting section 1. This amendatory act does not take effect
11 unless all of the following bills of the 95th Legislature are
12 enacted into law:

13 (a) House Bill No. 4244.

14 (b) House Bill No. 4844.

15 (c) House Bill No. 5020.

16 (d) House Bill No. 5145.

17 (e) House Bill No. 5147.

18 (f) House Bill No. 5148.

19 (g) House Bill No. 5150.

20 (h) House Bill No. 5151.