



**House
Legislative
Analysis
Section**

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INSURANCE: AUTO REPAIR CONTRACTS

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OCT 08 1990

House Bill 5841

Sponsor: Rep. Mary C. Brown
Committee: Insurance

Mich. State Law Library

Complete to 8-31-90

A SUMMARY OF HOUSE BILL 5841 AS INTRODUCED 5-29-90

The bill would amend the Insurance Code to permit auto insurance companies to contract with auto repair businesses for repair services payable under their policies and require the insurers to provide customers who agree in writing to use the repair shops a discount on their physical damage coverages. A written agreement between the insurer and insured would specify that: (1) the customer was obligated to use a contract repair business if the damage to the vehicle was covered under the policy and if the damaged vehicle was within 30 miles of the repair shop; and (2) if the customer did not, then the company would pay either the amount the appropriate repair shop would have charged or 80 percent of the cost of the repairs performed, whichever was greater.

MCL 500.2111d

House Bill 5841 (8-31-90)