## **HOUSE BILL No. 4998**

(As amended May 27, 2008)

June 28, 2007, Introduced by Rep. Virgil Smith and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"

(MCL 500.100 to 500.8302) by adding section 3149.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

- 1 SEC. 3149. AN INSURER OBLIGATED TO PAY BENEFITS OR CLAIMS FOR
- 2 PERSONAL PROTECTION INSURANCE BENEFITS UNDER THIS ACT [
- ] HAS A DUTY TO DEAL FAIRLY
- 4 AND IN GOOD FAITH WITH AN INJURED PERSON CLAIMING BENEFITS AND THAT
- 5 PERSON'S PROVIDERS. AN INSURER THAT BREACHES THIS DUTY TO DEAL
- 6 FAIRLY AND IN GOOD FAITH IS LIABLE FOR COMPENSATORY, CONSEQUENTIAL,
- 7 ECONOMIC, NONECONOMIC, AND EXEMPLARY DAMAGES PROXIMATELY CAUSED BY
- 8 THE BREACH AND THE COSTS OF LITIGATION, INCLUDING ACTUAL ATTORNEY
- 9 FEES. A BREACH OF THE DUTY TO DEAL FAIRLY AND IN GOOD FAITH
- 10 INCLUDES, BUT IS NOT LIMITED TO, ALL OF THE FOLLOWING:

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- 1 (A) A THREAT OR ACT OF INTIMIDATION AGAINST AN INJURED PERSON
- 2 OR THE PERSON'S PROVIDER WITH RESPECT TO THE SUBMISSION OR PAYMENT
- 3 OF A CLAIM UNDER THIS ACT.
- 4 (B) AN ACT OF RETALIATION AGAINST AN INJURED PERSON OR THE
- 5 PERSON'S PROVIDER FOR HAVING ASSERTED A RIGHT TO MAKE A CLAIM UNDER
- 6 THIS ACT.
- 7 (C) A STATEMENT OR REPRESENTATION WITH RESPECT TO THE
- 8 SUBMISSION OF A CLAIM, THE PAYMENT OF A CLAIM, OR THE RIGHTS OF AN
- 9 INJURED PERSON OR THE PERSON'S PROVIDER UNDER THIS ACT, WHICH
- 10 STATEMENT OR REPRESENTATION IS MATERIALLY FALSE WHEN AN INSURER [
- 11 NNEW, OR SHOULD HAVE KNOWN, OF THE
- 12 FALSITY OF THE STATEMENT OR REPRESENTATION.