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INSURER SUSPECTS ARSON/THEFT: REMEDIES FOR INSURED

House Bill 4176

Sponsor: Rep. Raymond Basham

**Committee: Insurance and Financial
Services**

Complete to 7-10-01

A SUMMARY OF HOUSE BILL 4176 AS INTRODUCED 2-13-01

The bill would amend the Insurance Code to specify procedures in the event that an insurance company refused to pay for loss or damage covered under an automobile or home insurance policy because of suspicions that the insured was involved in arson or theft related to the loss or damage. The bill would require the insurance company to notify the appropriate fire or law enforcement authority of its suspicions. Further, if an insured prevailed after a trial in an action to recover under an insurance policy after the insurer had refused to pay based on suspected arson or theft, the court would award to the insured all costs and expenses in bringing the action. The costs and expenses would include, but not be limited to, reasonable and actual attorney fees and court costs.

MCL 500.2128

House Bill 4176 (7-10-01)

Analyst: J. Caver

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