

SENATE BILL No. 23

January 12, 2005, Introduced by Senator SCOTT and referred to the Committee on
Banking and Financial Institutions.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 2203.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2203. AN INSURER OBLIGATED TO PAY BENEFITS OR CLAIMS
2 UNDER A PROPERTY AND CASUALTY INSURANCE POLICY HAS A DUTY TO DEAL
3 FAIRLY AND IN GOOD FAITH WITH AN INSURED CLAIMING THE BENEFITS. AN
4 INSURER THAT BREACHES THIS DUTY TO DEAL FAIRLY AND IN GOOD FAITH IS
5 LIABLE FOR COMPENSATORY, CONSEQUENTIAL, AND EXEMPLARY DAMAGES
6 PROXIMATELY CAUSED BY THE BREACH.