

SENATE BILL No. 576

June 8, 2005, Introduced by Senators BASHAM, JACOBS and PRUSI 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 2229.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2229. (1) IF AN INSURER REFUSES TO PAY AN INSURED FOR
2 LOSS OR DAMAGE INCURRED AND COVERED UNDER AN AUTOMOBILE OR HOME
3 INSURANCE POLICY BECAUSE THE INSURER SUSPECTS THE INSURED WAS
4 INVOLVED IN ARSON OR THEFT CONCERNING THE LOSS OR DAMAGE, THE
5 INSURER SHALL NOTIFY THE FIRE OR LAW ENFORCEMENT AUTHORITY WITH
6 JURISDICTION IN THE LOCALE WHERE THE LOSS OR DAMAGE OCCURRED OF THE
7 INSURER'S SUSPICIONS.

8 (2) IF AN INSURED PREVAILS AFTER TRIAL IN AN ACTION TO RECOVER
9 UNDER AN INSURANCE POLICY WHERE THE INSURER HAD REFUSED TO PAY

1 BASED ON SUSPECTED ARSON OR THEFT, THE COURT SHALL AWARD TO THE
2 INSURED ALL COSTS AND EXPENSES IN BRINGING THE ACTION INCLUDING,
3 BUT NOT LIMITED TO, REASONABLE AND ACTUAL ATTORNEY FEES AND COURT
4 COSTS.