

HOUSE BILL No. 5146

June 25, 2009, Introduced by Reps. Johnson, Lisa Brown, Slezak and Nathan 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 2027b.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2027B. (1) IF IN AN ACTION UNDER SECTION 2027A A PERSON
2 ENGAGED IN THIS STATE IN THE BUSINESS OF PROPERTY AND CASUALTY OR
3 AUTOMOBILE INSURANCE IS FOUND TO HAVE UNDERTAKEN AN UNFAIR METHOD
4 OF COMPETITION, AN UNFAIR OR DECEPTIVE ACT OR PRACTICE, OR ANY
5 OTHER CONDUCT PROHIBITED BY SECTIONS 2001 TO 2050 OR TO HAVE FAILED
6 TO PAY BENEFITS IN A TIMELY MANNER AS DESCRIBED IN SECTION 2090,
7 THERE IS A PRESUMPTION THAT THE PERSON WAS ACTING IN BAD FAITH. THE
8 PRESUMPTION CREATED BY THIS SECTION PLACES THE BURDEN OF DISPROVING
9 THE BAD FAITH ON THE PERSON.

1 (2) IF IT IS DETERMINED THAT A PERSON WAS ACTING IN BAD FAITH
2 AS PROVIDED IN THIS SECTION, THE INDIVIDUAL WHO BROUGHT THE ACTION
3 IS ENTITLED TO ALL OF THE FOLLOWING:

4 (A) INTEREST UNDER SECTION 2006(4).

5 (B) DAMAGES AND COSTS UNDER SECTION 2026A.

6 (C) ATTORNEY FEES AND PUNITIVE DAMAGES UNDER SECTION 2090.

7 (D) DAMAGES AND COSTS UNDER SECTION 3149.

8 Enacting section 1. This amendatory act does not take effect
9 unless all of the following bills of the 95th Legislature are
10 enacted into law:

11 (a) House Bill No. 4244.

12 (b) House Bill No. 4844.

13 (c) Senate Bill No.____ or House Bill No.____ (request no.
14 03545'09).

15 (d) Senate Bill No.____ or House Bill No. 5150(request no.
16 03547'09).