

SENATE BILL No. 697

January 13, 2016, Introduced by Senators JONES, JOHNSON, KNEZEK, HERTEL and ANANICH and referred to the Committee on Judiciary.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
(MCL 500.100 to 500.8302) by adding section 3011.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 3011. (1) NOTWITHSTANDING ANY OTHER PROVISION OF THIS
2 ACT, AN INSURER OF A BUILDING OR OTHER STRUCTURE ON REAL PROPERTY
3 SHALL NOT PAY A CLAIM OF \$2,000.00 OR MORE FOR LOSS OR DAMAGE
4 CAUSED BY FIRE OR EXPLOSION TO AN INSURED BUILDING OR OTHER
5 STRUCTURE UNTIL A REPORT UNDER SUBSECTION (2) HAS BEEN SUBMITTED
6 AND THE INSURER HAS RECEIVED FROM THE INSURED A COPY OF THE REPORT.

7 (2) IF AN INSURED BUILDING OR OTHER STRUCTURE SUFFERS LOSS OR
8 DAMAGE CAUSED BY FIRE OR EXPLOSION, THE INSURED SHALL SUBMIT TO THE
9 FIRE OR LAW ENFORCEMENT AUTHORITY DESIGNATED BY THE CITY, VILLAGE,
10 OR TOWNSHIP A REPORT PRESCRIBED BY THE DEPARTMENT IN CONJUNCTION
11 WITH THE BUREAU OF FIRE SERVICES CREATED IN SECTION 1B OF THE FIRE

1 PREVENTION CODE, 1941 PA 207, MCL 29.1B, THAT REQUIRES INFORMATION
2 CONCERNING THE BUILDING OR STRUCTURE FIRE OR EXPLOSION.

3 (3) THIS SECTION DOES NOT APPLY TO ACCIDENTAL FIRES OR
4 EXPLOSIONS AS DETERMINED BY THE INSURER OR THE FIRE OR LAW
5 ENFORCEMENT AUTHORITY DESIGNATED BY THE CITY, VILLAGE, OR TOWNSHIP.
6 IF THE INSURER OR THE FIRE OR LAW ENFORCEMENT AUTHORITY DESIGNATED
7 BY THE CITY, VILLAGE, OR TOWNSHIP DETERMINES THAT THE FIRE OR
8 EXPLOSION MAY NOT BE ACCIDENTAL, THE INSURER OR THE FIRE OR LAW
9 ENFORCEMENT AUTHORITY DESIGNATED BY THE CITY, VILLAGE, OR TOWNSHIP
10 SHALL NOTIFY THE INSURED OF THE REQUIREMENT FOR A REPORT UNDER THIS
11 SECTION BY NOT LATER THAN 30 DAYS AFTER THE DETERMINATION BY THE
12 INSURER OR THE FIRE OR LAW ENFORCEMENT AUTHORITY DESIGNATED BY THE
13 CITY, VILLAGE, OR TOWNSHIP.

14 (4) THIS SECTION APPLIES ONLY IF THE FIRE OR LAW ENFORCEMENT
15 AUTHORITY RESPONSIBLE FOR INVESTIGATING THE FIRE OR EXPLOSION IS
16 LOCATED IN A CITY, VILLAGE, OR TOWNSHIP DESCRIBED IN SUBSECTION (8)
17 AND IF THE CITY, VILLAGE, OR TOWNSHIP, ACTING UNDER A RESOLUTION BY
18 ITS GOVERNING BODY, NOTIFIES THE DIRECTOR IN WRITING OF BOTH OF THE
19 FOLLOWING:

20 (A) THAT THE CITY, VILLAGE, OR TOWNSHIP HAS ELECTED TO RECEIVE
21 THE REPORTS PREPARED UNDER SUBSECTION (2).

22 (B) THE NAME AND ADDRESS OF THE FIRE OR LAW ENFORCEMENT
23 AUTHORITY DESIGNATED BY THE CITY, VILLAGE, OR TOWNSHIP TO RECEIVE
24 REPORTS PREPARED UNDER SUBSECTION (2).

25 (5) THE DIRECTOR SHALL PREPARE AND DISTRIBUTE A LIST OF ALL
26 CITIES, VILLAGES, AND TOWNSHIPS THAT HAVE ELECTED TO APPLY THIS
27 SECTION TO ALL INSURANCE COMPANIES TRANSACTING INSURANCE THAT

1 PROVIDES COVERAGE FOR LOSS BY FIRE TO BUILDINGS OR OTHER STRUCTURES
2 IN THIS STATE.

3 (6) A CITY, VILLAGE, OR TOWNSHIP MAY BE ADDED TO THE LIST
4 PREPARED UNDER SUBSECTION (5) BY SUBMITTING A WRITTEN REQUEST
5 CONTAINING THE INFORMATION REQUIRED UNDER SUBSECTION (4) TO THE
6 DIRECTOR. IF A WRITTEN REQUEST IS RECEIVED, THE DIRECTOR SHALL
7 PREPARE AND DISTRIBUTE AN AMENDED LIST INDICATING THE ADDITION. THE
8 ADDITION IS EFFECTIVE ON THE DATE SPECIFIED BY THE DIRECTOR IN THE
9 AMENDED LIST. THE DIRECTOR SHALL NOTIFY THE CITY, VILLAGE,
10 TOWNSHIP, AND ALL INSURERS THAT ISSUE POLICIES IN THIS STATE THAT
11 PROVIDE COVERAGE FOR LOSS BY FIRE TO BUILDINGS OR OTHER STRUCTURES
12 OF THE EFFECTIVE DATE OF AN ADDITION, WHICH MUST BE NOT LESS THAN
13 30 DAYS AFTER RECEIPT OF THE NOTICE BY THE INSURANCE COMPANY. THIS
14 SECTION DOES NOT APPLY TO ANY LOSS THAT OCCURRED BEFORE THE
15 EFFECTIVE DATE OF THE ADDITION.

16 (7) A CITY, VILLAGE, OR TOWNSHIP MAY REQUEST TO BE DELETED
17 FROM THE LIST PREPARED UNDER SUBSECTION (5) OR MAY CEASE TO APPLY
18 THIS SECTION FOR A PERIOD OF NOT LESS THAN 6 MONTHS ON NOT LESS
19 THAN 30 DAYS' WRITTEN NOTICE TO THE DIRECTOR. AFTER RECEIPT OF A
20 REQUEST TO BE DELETED FROM THE LIST, THE DIRECTOR SHALL PREPARE AND
21 DISTRIBUTE AN AMENDMENT TO THE LIST INDICATING THE DELETION. THE
22 DELETION IS EFFECTIVE ON THE DATE SPECIFIED BY THE DIRECTOR IN THE
23 AMENDMENT. THE DIRECTOR SHALL NOTIFY THE CITY, VILLAGE, TOWNSHIP,
24 AND ALL INSURERS THAT ISSUE POLICIES IN THIS STATE THAT PROVIDE
25 COVERAGE FOR LOSS BY FIRE TO BUILDINGS OR OTHER STRUCTURES OF THE
26 EFFECTIVE DATE OF A DELETION, WHICH MUST BE EFFECTIVE NOT LESS THAN
27 30 DAYS AFTER RECEIPT OF THE NOTICE BY THE INSURANCE COMPANY. A

1 CITY, VILLAGE, OR TOWNSHIP SHALL CONTINUE TO APPLY THIS SECTION TO
2 ANY LOSS THAT OCCURRED BEFORE THE EFFECTIVE DATE OF THE DELETION,
3 NOTWITHSTANDING THE DELETION.

4 (8) A CITY, VILLAGE, OR TOWNSHIP MAY ELECT TO APPLY THIS
5 SECTION AS PROVIDED IN SUBSECTION (4) AND AS FOLLOWS:

6 (A) IF THE CITY, VILLAGE, OR TOWNSHIP IS LOCATED IN A COUNTY
7 WITH A POPULATION OF 425,000 OR MORE.

8 (B) IF THE CITY, VILLAGE, OR TOWNSHIP IS LOCATED IN A COUNTY
9 WITH A POPULATION OF LESS THAN 425,000 AND THE CITY, VILLAGE, OR
10 TOWNSHIP HAS A POPULATION OF 50,000 OR MORE.

11 (9) THERE IS NO LIABILITY ON THE PART OF, AND A CAUSE OF
12 ACTION DOES NOT ARISE AGAINST, AN INSURER OR AN AGENT OR EMPLOYEE
13 OF AN INSURER FOR WITHHOLDING MONEY IN THE COURSE OF COMPLYING WITH
14 OR ATTEMPTING TO COMPLY WITH THIS SECTION.