

SENATE BILL No. 306

March 24, 2011, Introduced by Senator HUNE 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 2110c.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 SEC. 2110C. (1) AS USED IN THIS SECTION, "THIRD PARTY BILLER"
2 MEANS ANY PERSON THAT MEETS ALL OF THE FOLLOWING:

3 (A) PROVIDES AUTOMOBILE GLASS REPAIR OR REPLACEMENT SERVICES
4 DIRECTLY OR THROUGH ANY OTHER BUSINESS ENTITY THAT IS RELATED TO OR
5 AFFILIATED WITH THE THIRD PARTY BILLER EITHER BY STOCK OWNERSHIP,
6 LICENSE AGREEMENT, FRANCHISE AGREEMENT, OR DIRECT FAMILY OWNERSHIP.

7 (B) IS NOT AN AUTOMOBILE INSURER.

8 (C) PROCESSES, PAYS, ADMINISTERS, OR MONITORS THE PAYMENT OF
9 AUTOMOBILE GLASS CLAIMS ON BEHALF, DIRECTLY OR INDIRECTLY, OF AN
10 AUTOMOBILE INSURER WITH A CERTIFICATE OF AUTHORITY IN THIS STATE.

1 (2) AN AUTOMOBILE INSURER OR PRODUCER SHALL NOT PERMIT A THIRD
2 PARTY BILLER TO ALSO PROVIDE AUTOMOBILE GLASS REPAIR OR REPLACEMENT
3 SERVICES FOR THE INSURER UNLESS THE THIRD PARTY BILLER ADOPTS AND
4 FOLLOWS, WHEN PROCESSING, PAYING, ADMINISTERING, OR MONITORING AN
5 AUTOMOBILE GLASS REPAIR OR REPLACEMENT SERVICE FOR THE AUTOMOBILE
6 INSURER OR PRODUCER, A CODE OF CONDUCT THAT COMPLIES WITH ALL OF
7 THE FOLLOWING:

8 (A) IF AN INSURED STATES A PREFERENCE FOR AN AUTOMOBILE GLASS
9 REPAIR OR REPLACEMENT FACILITY AND THAT FACILITY IS, IF APPLICABLE,
10 A NETWORK PROVIDER FOR THE AUTOMOBILE INSURER, NO OTHER REPAIR OR
11 REPLACEMENT FACILITY SHALL BE SUGGESTED.

12 (B) IF AN INSURED DOES NOT STATE A PREFERENCE FOR AN
13 AUTOMOBILE GLASS REPAIR OR REPLACEMENT FACILITY, OR IF THE
14 PREFERRED REPAIR OR REPLACEMENT FACILITY IS NOT, IF APPLICABLE, A
15 NETWORK FACILITY FOR THE AUTOMOBILE INSURER, THE THIRD PARTY BILLER
16 SHALL SUGGEST 3 AUTOMOBILE GLASS REPAIR OR REPLACEMENT FACILITIES.
17 THE 3 AUTOMOBILE GLASS REPAIR OR REPLACEMENT FACILITIES SHALL BE,
18 IF APPLICABLE, NETWORK FACILITIES, AND SHALL BE SUGGESTED ON AN
19 OBJECTIVE BASIS THAT ALTERNATES BETWEEN ALL AUTOMOBILE GLASS REPAIR
20 OR REPLACEMENT FACILITIES IN THE NETWORK AND THAT IS DESIGNED TO
21 NOT GIVE A PREFERENCE TO GLASS REPAIR OR REPLACEMENT FACILITIES
22 THAT ARE RELATED TO OR AFFILIATED WITH, AS DESCRIBED IN SUBSECTION
23 (1) (A), THE THIRD PARTY BILLER THAT HAS RESPONSIBILITY FOR
24 SUGGESTING THE GLASS REPAIR OR REPLACEMENT FACILITY TO THE INSURED.

25 (C) THE THIRD PARTY BILLER SHALL NOT PROMOTE OR OTHERWISE
26 DISCUSS ITS OWN OR ANY AFFILIATED AUTOMOBILE GLASS REPAIR OR
27 REPLACEMENT FACILITIES, INCLUDING, BUT NOT LIMITED TO, DISCUSSIONS

1 CONCERNING NATIONAL WARRANTIES, DEDUCTIBLES, WAIVERS, OR CASH
2 PRICING OFFERED BY THOSE FACILITIES.

3 (D) THE THIRD PARTY BILLER WILL NOT CLOSE ITS NETWORK TO NEW
4 APPLICANTS IF THE NETWORK CONTAINS GLASS REPAIR OR REPLACEMENT
5 FACILITIES THAT ARE RELATED TO OR AFFILIATED WITH, AS DESCRIBED IN
6 SUBSECTION (1) (A), THE THIRD PARTY BILLER.

7 (3) EACH THIRD PARTY BILLER SHALL FILE WITH THE COMMISSIONER,
8 BY THE FIFTEENTH DATE OF EACH MONTH, INFORMATION AS PRESCRIBED BY
9 THE COMMISSIONER AS NECESSARY FOR THE COMMISSIONER TO ENFORCE THIS
10 SECTION AND SECTION 2110B, INCLUDING, BUT NOT LIMITED TO, ALL OF
11 THE FOLLOWING:

12 (A) ALL SCRIPTS USED BY THE THIRD PARTY BILLER FOR TRAINING
13 EMPLOYEES AND FOR EMPLOYEE USE IN HANDLING AUTOMOBILE GLASS REPAIR
14 AND REPLACEMENT CLAIMS.

15 (B) STATEMENTS OF OWNERSHIP AND ALL THIRD PARTY BILLER
16 CONTRACTS WITH AUTOMOBILE INSURERS OR PRODUCERS.

17 (C) TOTAL NUMBER OF AUTOMOBILE GLASS REPAIR OR REPLACEMENT
18 CLAIMS FOR EACH AUTOMOBILE INSURER THAT WERE PROCESSED, PAID,
19 ADMINISTERED, OR MONITORED IN THE IMMEDIATELY PRECEDING MONTH.

20 (D) WHETHER A CLAIM IN THE IMMEDIATELY PRECEDING MONTH WAS FOR
21 GLASS REPAIR OR GLASS REPLACEMENT.

22 (E) THE NUMBER OF GLASS REPAIR OR REPLACEMENT CLAIMS IN THE
23 IMMEDIATELY PRECEDING MONTH THAT WERE PROCESSED FOR EACH AUTOMOBILE
24 INSURER PURSUANT TO SUBSECTION (2) (A) AND THE NAMES OF THOSE
25 AUTOMOBILE GLASS REPAIR OR REPLACEMENT FACILITIES.

26 (F) THE NUMBER OF GLASS REPAIR OR REPLACEMENT CLAIMS IN THE
27 IMMEDIATELY PRECEDING MONTH THAT WERE PROCESSED FOR EACH AUTOMOBILE

1 INSURER PURSUANT TO SUBSECTION (2) (B), THE LISTED FACILITY NAMES
2 GIVEN TO THE INSURED, AND THE NAME OF THE CHOSEN FACILITY.

3 Enacting section 1. This amendatory act takes effect July 1,
4 2011.