

SUBSTITUTE FOR
HOUSE BILL NO. 4397
(As Amended May 9, 2019)

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending sections 150, 2105, 2106, 2108, 2111, 2111f, 2118, 2120,
2151, 3101, 3101a,
3104, 3107, 3111, 3112, 3113, 3114, 3115, 3135, 3142, 3145, 3148, 3157,
3163, 3172, 3173a, 3174, 3175, and 3177 (MCL 500.150, 500.2105, 500.2106,
500.2108, 500.2111, 500.2111f, 500.2118, 500.2120, 500.2151, 500.3101,
500.3101a, 500.3104,
500.3107, 500.3111, 500.3112, 500.3113, 500.3114, 500.3115,
500.3135, 500.3142, 500.3145, 500.3148, 500.3157, 500.3163, 500.3172,
500.3173a, 500.3174, 500.3175, and 500.3177), section 150 as
amended by 1992 PA 182, section 2108 as amended by 2015 PA 141, section
2111 as amended by 2012 PA 441,
sections 2118 and 2120 as amended by 2007 PA 35, section 3101 as
amended by 2017 PA 140, section 3101a as amended by 2018 PA 510,
section 3104 as amended by 2002 PA 662, section 3107 as amended by
2012 PA 542, section 3113 as amended by 2016 PA 346, section 3114

as amended by 2016 PA 347, section 3135 as amended by 2012 PA 158, section 3163 as amended by 2002 PA 697, sections 3172, 3173a, 3174, and 3175 as amended by 2012 PA 204, section 3177 as amended by 1984 PA 426, and section 2151 as added by 2012 PA 165 and by adding sections 261, 1245, 2111f, 2116b, 3107c, 3107d, 3107e, 3157a, and 3157b and chapter 63.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 150. (1) ~~Any~~ **EXCEPT AS PROVIDED IN SUBSECTION (5), ANY**
 2 person who violates any provision of this act for which a specific
 3 penalty is not provided under any other provision of this act or of
 4 other laws applicable to the violation ~~shall~~ **MUST** be afforded an
 5 opportunity for a hearing before the ~~commissioner~~ pursuant to
 6 **DIRECTOR UNDER** the administrative procedures act of 1969, ~~Act No.~~
 7 ~~306 of the Public Acts of 1969, being sections~~ **1969 PA 306, MCL**
 8 ~~24.201 to 24.328. of the Michigan Compiled Laws.~~ If the
 9 ~~commissioner~~ **DIRECTOR** finds that a violation has occurred, the
 10 ~~commissioner~~ **DIRECTOR** shall reduce the findings and decision to
 11 writing and ~~shall~~ issue and cause to be served ~~upon~~ **ON** the person
 12 charged with the violation a copy of the findings and an order
 13 requiring the person to cease and desist from the violation. In
 14 addition, the ~~commissioner~~ **DIRECTOR** may order any of the following:
 15 (a) Payment of a civil fine of not more than \$500.00 for each
 16 violation. However, if the person knew or reasonably should have
 17 known that he or she was in violation of this act, the ~~commissioner~~
 18 **DIRECTOR** may order the payment of a civil fine of not more than
 19 \$2,500.00 for each violation. With respect to filings made under
 20 chapters 21, 22, 23, 24, and 26, "violation" means a filing not in
 21 compliance with ~~the provisions of~~ those chapters and does not

1 include an action with respect to an individual policy based upon
2 ON a noncomplying filing. **WITH RESPECT TO AN ACT OR OMISSION**
3 **DESCRIBED IN SECTION 4503, A FINE UNDER THIS SECTION MAY BE ORDERED**
4 **IN ADDITION TO AND NOT INSTEAD OF A PENALTY OR RESTITUTION UNDER**
5 **SECTION 4511.** An order of the ~~commissioner~~**DIRECTOR** under this
6 subdivision shall ~~shall~~**MUST** not require the payment of civil fines
7 exceeding ~~\$25,000.00.~~**\$50,000.00.** A fine collected under this
8 subdivision shall ~~shall~~**MUST** be turned over to the state treasurer and
9 credited to the general fund, **EXCEPT THAT A FINE COLLECTED FOR AN**
10 **ACT OR OMISSION UNDER SECTION 4503 MUST BE CREDITED TO THE**
11 **AUTOMOBILE INSURANCE FRAUD FUND CREATED IN SECTION 6304.**

12 (b) The suspension, limitation, or revocation of the person's
13 license or certificate of authority.

14 (2) After notice and opportunity for hearing, the ~~commissioner~~
15 **DIRECTOR** may by order reopen and alter, modify, or set aside, in
16 whole or in part, an order issued under this section if, in the
17 ~~commissioner's~~**DIRECTOR'S** opinion, conditions of fact or law have
18 changed to require that action or the public interest requires that
19 action.

20 (3) If a person knowingly violates a cease and desist order
21 under this section and has been given notice and an opportunity for
22 a hearing held ~~pursuant to Act No. 306 of the Public Acts~~ **UNDER THE**
23 **ADMINISTRATIVE PROCEDURES ACT** of 1969, **1969 PA 306, MCL 24.201 TO**
24 **24.328,** the ~~commissioner~~**DIRECTOR** may order a civil fine of
25 \$10,000.00 for each violation, or a suspension, limitation, or
26 revocation of ~~a~~**THE** person's license, or both. A fine collected
27 under this subsection shall ~~shall~~**MUST** be turned over to the state

1 treasurer and credited to the general fund, **EXCEPT THAT IF THE**
2 **CEASE AND DESIST ORDER RELATED TO AN ACT OR OMISSION UNDER SECTION**
3 **4503, THE FINE MUST BE CREDITED TO THE AUTOMOBILE INSURANCE FRAUD**
4 **FUND CREATED IN SECTION 6304.**

5 (4) The ~~commissioner~~**DIRECTOR** may apply to the Ingham ~~county~~
6 **COUNTY** circuit court for an order of the court enjoining a
7 violation of this act.

8 (5) **NOTWITHSTANDING SUBSECTION (1), THIS SECTION APPLIES TO AN**
9 **ACT OR OMISSION DESCRIBED IN SECTION 4503.**

10 **SEC. 261. (1) THE DEPARTMENT SHALL MAINTAIN ON ITS INTERNET**
11 **WEBSITE A PAGE THAT DOES ALL OF THE FOLLOWING:**

12 (A) **ADVISES THAT THE DEPARTMENT MAY BE ABLE TO ASSIST A PERSON**
13 **WHO BELIEVES THAT AN AUTOMOBILE INSURER IS NOT PAYING BENEFITS, NOT**
14 **MAKING TIMELY PAYMENTS, OR OTHERWISE NOT PERFORMING AS IT IS**
15 **OBLIGATED TO DO UNDER AN INSURANCE POLICY.**

16 (B) **ADVISES THE PERSON OF SELECTED IMPORTANT RIGHTS THAT THE**
17 **PERSON HAS UNDER CHAPTER 20 THAT SPECIFICALLY RELATE TO AUTOMOBILE**
18 **INSURERS AND THE PAYMENT OF BENEFITS BY AUTOMOBILE INSURERS.**

19 (C) **ALLOWS THE PERSON TO SUBMIT AN EXPLANATION OF THE FACTS OF**
20 **THE PERSON'S PROBLEMS WITH THE AUTOMOBILE INSURER.**

21 (D) **ALLOWS THE PERSON TO SUBMIT ELECTRONICALLY, OR INSTRUCTS**
22 **THE PERSON HOW TO PROVIDE PAPER COPIES OF, ANY DOCUMENTATION TO**
23 **SUPPORT THE FACTS SUBMITTED UNDER SUBDIVISION (C).**

24 (E) **EXPLAINS TO THE PERSON THE STEPS THAT THE DEPARTMENT WILL**
25 **TAKE AND THAT MAY BE TAKEN AFTER INFORMATION IS SUBMITTED UNDER**
26 **THIS SECTION.**

27 (F) **ANYTHING ELSE THAT THE DIRECTOR DETERMINES TO BE IMPORTANT**

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1 IN RELATION TO SUBDIVISIONS (A) TO (E).

2 (2) THE DEPARTMENT SHALL MAINTAIN ON ITS INTERNET WEBSITE A
3 PAGE THAT ADVISES CONSUMERS ABOUT THE CHANGES TO AUTOMOBILE
4 INSURANCE IN THIS STATE THAT WERE MADE BY THE AMENDATORY ACT THAT
5 ADDED THIS SECTION, INCLUDING, AMONG ANY OTHER INFORMATION THAT THE
6 DIRECTOR DETERMINES TO BE IMPORTANT, WAYS TO SHOP COMPETITIVELY FOR
7 INSURANCE.

8 (3) THE DEPARTMENT SHALL MAINTAIN ON ITS INTERNET WEBSITE A
9 PAGE THAT ALLOWS A PERSON TO REPORT INSURANCE FRAUD AND UNFAIR
10 SETTLEMENT AND CLAIMS PRACTICES TO THE DEPARTMENT.

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22 Sec. 2105. (1) ~~No~~^A policy of automobile insurance or home
23 insurance shall ~~shall~~^{MUST NOT} be offered, bound, made, issued, delivered
24 or renewed in this state ~~on and after January 1, 1981, except in~~
25 ~~conformity with~~^{UNLESS THE POLICY CONFORMS TO} this chapter. This
26 chapter shall not apply to policies of automobile insurance or home
27 insurance offered, bound, made, issued, delivered or renewed in
this state before January 1, 1981.

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1 (2) This chapter ~~shall~~**DOES** not apply to insurance written on
 2 a group, franchise, blanket policy, or similar basis ~~which~~**THAT**
 3 offers home insurance or automobile insurance to all members of the
 4 group, franchise plan, or blanket coverage who are eligible
 5 persons. [**(3) AN INSURER, INCLUDING, BUT NOT LIMITED TO, AN INSURER THAT
 WRITES INSURANCE AS DESCRIBED IN SUBSECTION (2) AND AN INSURER THAT IS
 EXEMPTED FROM ANY OF THE REQUIREMENTS OF THIS CHAPTER FOR ANY REASON,
 SHALL NOT ESTABLISH OR MAINTAIN RATES OR RATING CLASSIFICATIONS FOR
 AUTOMOBILE INSURANCE BASED ON A FACTOR THAT IS NOT ALLOWED, OR THAT IS
 PROHIBITED, UNDER SECTION 2111.**

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 7
 Sec. 2106. (1) Except as specifically provided in this chapter, ~~the
 provisions of~~chapter 24 and chapter 26 ~~shall~~**DO** not apply to automobile
 insurance and home insurance.

**(2) SUBJECT TO SECTION 2108(6), AN INSURER SHALL FILE AND USE RATES
 FOR AUTOMOBILE INSURANCE IN ACCORDANCE WITH CHAPTER 24.**

(3) An insurer may use rates for ~~automobile insurance or home
 insurance~~ as soon as those rates are filed.

(4) To the extent that other provisions of this ~~code~~**ACT** are
 inconsistent with ~~the provisions of~~this chapter, this chapter ~~shall
 govern~~**GOVERNS** with respect to automobile insurance and home insurance.]

8 Sec. 2108. (1) On the effective date of a manual of
 9 classification, manual of rules and rates, rating plan, or
 10 modification of a manual of classification, manual of rules and
 11 rates, or rating plan that an insurer proposes to use for
 12 [~~automobile insurance or~~] home insurance, the insurer shall file the
 13 manual or plan with the director. [**FOR AUTOMOBILE INSURANCE, AN INSURER
 SHALL FILE A MANUAL OR PLAN DESCRIBED IN THIS SUBSECTION IN ACCORDANCE
 WITH SUBSECTION (6).**] Each filing under this subsection

14 must state the character and extent of the coverage contemplated.
 15 An insurer that is subject to this chapter and that maintains rates
 16 in any part of this state shall at all times maintain rates in
 17 effect for all eligible persons meeting the underwriting criteria
 18 of the insurer.

19 (2) An insurer may satisfy its obligation to make filings
 20 under subsection (1) by becoming a member of, or a subscriber to, a
 21 rating organization licensed under chapter 24 or chapter 26 that
 22 makes the filings, and by filing with the director a copy of its
 23 authorization of the rating organization to make the filings on its
 24 behalf. This chapter does not require an insurer to become a member
 25 of or a subscriber to a rating organization. An insurer may file
 26 and use deviations from filings made on its behalf. The deviations
 27 are subject to this chapter.

1 (3) A filing under this section must be accompanied by a
2 certification by or on behalf of the insurer that, to the best of
3 the insurer's information and belief, the filing conforms to the
4 requirements of this chapter.

5 (4) A filing under this section must include information that
6 supports the filing with respect to the requirements of section
7 2109. The information may include 1 or more of the following:

8 (a) The experience or judgment of the insurer or rating
9 organization making the filing.

10 (b) The interpretation of the insurer or rating organization
11 of any statistical data it relies on.

12 (c) The experience of other insurers or rating organizations.

13 (d) Any other relevant information.

14 (5) Except as otherwise provided in this subsection, the
15 department shall make a filing under this section and any
16 accompanying information open to public inspection on filing. An
17 insurer or a rating organization filing on the insurer's behalf may
18 designate information included in the filing or any accompanying
19 information as a trade secret. The insurer or the rating
20 organization filing on behalf of the insurer shall demonstrate to
21 the director that the designated information is a trade secret. If
22 the director determines that the information is a trade secret, the
23 information is not subject to public inspection and is exempt from
24 the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246.
25 As used in this subsection, "trade secret" means that term as
26 defined in section 2 of the uniform trade secrets act, 1998 PA 448,
27 MCL 445.1902. However, trade secret does not include filings and

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1 information accompanying filings under this section that were
2 subject to public inspection before ~~the effective date of the~~
3 ~~amendatory act that added this sentence.~~ **JANUARY 11, 2016.**

[(6) FOR AUTOMOBILE INSURANCE, AN INSURER SHALL FILE A MANUAL OR PLAN DESCRIBED IN THIS SUBSECTION IN ACCORDANCE WITH CHAPTER 24, EXCEPT THAT THE MANUAL OR PLAN MUST REMAIN ON FILE FOR A WAITING PERIOD OF 90 DAYS BEFORE IT BECOMES EFFECTIVE, WHICH PERIOD MAY NOT BE EXTENDED BY THE DIRECTOR, AND THE WAITING PERIOD APPLIES REGARDLESS OF WHETHER SUPPORTING INFORMATION IS REQUIRED BY THE DIRECTOR UNDER SECTION 2406(1).]

4 [(7)] An insurer shall not make, issue, or renew a contract or
5 policy except in accordance with filings that are in effect for the
6 insurer under this chapter.

7 **[(8)] A FILING UNDER THIS CHAPTER MUST SPECIFY THAT THE INSURER**
8 **WILL NOT REFUSE TO INSURE, REFUSE TO CONTINUE TO INSURE, OR LIMIT**
9 **THE AMOUNT OF COVERAGE AVAILABLE BECAUSE OF THE LOCATION OF THE**
10 **RISK, AND THAT THE INSURER RECOGNIZES THOSE PRACTICES TO CONSTITUTE**
11 **REDLINING. AN INSURER SHALL NOT ENGAGE IN REDLINING AS DESCRIBED IN**
12 **THIS SUBSECTION.**

[Sec. 2111. (1) Notwithstanding any provision of this act or this chapter to the contrary, classifications and ~~territorial~~-base rates used by an insurer in this state with respect to automobile insurance or home insurance ~~shall~~ **MUST** conform to the applicable requirements of this section.

(2) Classifications established under this section for automobile insurance ~~shall~~ **MUST** be based only on 1 or more of the following factors, which ~~shall~~ **MUST** be applied by an insurer on a uniform basis throughout this state:

- (a) With respect to all automobile insurance coverages:
 - (i) Either the age of the driver; the length of driving experience; or the number of years licensed to operate a motor vehicle.
 - (ii) Driver primacy, based on the proportionate use of each vehicle insured under the policy by individual drivers insured or to be insured under the policy.
 - (iii) Average miles driven weekly, annually, or both.
 - (iv) Type of use, such as business, farm, or pleasure use.
 - (v) Vehicle characteristics, features, and options, such as engine displacement, ability of the vehicle and its equipment to protect passengers from injury, and other similar items, including vehicle make and model.
 - (vi) Daily or weekly commuting mileage.
 - (vii) Number of cars insured by the insurer or number of licensed operators in the household. However, number of licensed operators ~~shall~~ **MUST** not be used as an indirect measure of marital status.
 - (viii) Amount of insurance.

(b) In addition to the factors prescribed in subdivision (a), with respect to personal protection insurance coverage:

- (i) Earned income.
- (ii) Number of dependents of income earners insured under the policy.

(iii) Coordination of benefits.

(iv) Use of a safety belt.

(c) In addition to the factors prescribed in subdivision (a), with respect to collision and comprehensive coverages:

(i) The anticipated cost of vehicle repairs or replacement, which may be measured by age, price, cost new, or value of the insured automobile, and other factors directly relating to that anticipated cost.

(ii) Vehicle make and model.

(iii) Vehicle design characteristics related to vehicle damageability.

(iv) Vehicle characteristics relating to automobile theft prevention devices.

(d) With respect to all automobile insurance coverage other than comprehensive, successful completion by the individual driver or drivers insured under the policy of an accident prevention education course that meets the following criteria:

(i) The course ~~shall~~**MUST** include a minimum of 8 hours of classroom instruction.

(ii) The course ~~shall~~**MUST** include, but not be limited to, a review of all of the following:

(A) The effects of aging on driving behavior.

(B) The shapes, colors, and types of road signs.

(C) The effects of alcohol and medication on driving.

(D) The laws relating to the proper use of a motor vehicle.

(E) Accident prevention measures.

(F) The benefits of safety belts and child restraints.

(G) Major driving hazards.

(H) Interaction with other highway users, such as motorcyclists, bicyclists, and pedestrians.

(3) Each insurer shall establish a secondary or merit rating plan for automobile insurance, other than comprehensive coverage. A secondary or merit rating plan required under this subsection ~~shall~~**MUST** provide for premium surcharges for ~~any or~~ all coverages for automobile insurance, other than comprehensive coverage, based ~~upon~~**ON** ~~any or~~ all of the following, when that information becomes available to the insurer:

(a) Substantially at-fault accidents.

(b) Convictions for, determinations of responsibility for civil infractions for, or findings of responsibility in probate court for civil infractions for violations under chapter VI of the Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750. However, an insured ~~shall~~**MUST** not be merit rated ~~CLASSIFIED~~ for **RATING PURPOSES BASED ON** a civil infraction under chapter VI of the Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750, for a period of time longer than that which the secretary of state's office carries points for that infraction on the insured's motor vehicle record.

(3) (4)—An insurer shall not establish or maintain rates or rating classifications for automobile insurance based on sex or marital status **OR A NON-DRIVING FACTOR.**

(4) (5)—Notwithstanding other provisions of this chapter, automobile insurance risks **MAY** be grouped by territory.

(5) (6)—This section does not limit insurers or rating organizations from establishing and maintaining statistical reporting territories. This section does not prohibit an insurer from establishing or maintaining, for automobile insurance, a premium discount plan for senior citizens in this state who are 65 years of age or older, if the plan is uniformly applied by the insurer throughout this state. If an insurer has not established and maintained a premium discount plan for senior citizens, the insurer shall offer reduced premium rates to senior citizens in this state who are 65 years of age or older and who drive less than 3,000 miles per year, regardless of statistical data.

(6) (7)—Classifications established under this section for home insurance other than inland marine insurance provided by policy floaters or endorsements ~~shall~~**MUST** be based only on 1 or more of the following factors:

(a) Amount and types of coverage.

(b) Security and safety devices, including locks, smoke detectors,

and similar, related devices.

(c) Repairable structural defects reasonably related to risk.

(d) Fire protection class.

(e) Construction of structure, based on structure size, building material components, and number of units.

(f) Loss experience of the insured, based on prior claims attributable to factors under the control of the insured that have been paid by an insurer. An insured's failure, after written notice from the insurer, to correct a physical condition that presents a risk of repeated loss ~~shall be considered~~ **IS** a factor under the control of the insured for purposes of this subdivision.

(g) Use of smoking materials within the structure.

(h) Distance of the structure from a fire hydrant.

(i) Availability of law enforcement or crime prevention services.

(7) ~~(8)~~—Notwithstanding other provisions of this chapter, home insurance risks may be grouped by territory.

(8) ~~(9)~~—An insurer may use factors in addition to those permitted by this section for insurance if the plan is consistent with the purposes of this act and reflects reasonably anticipated reductions or increases in losses or expenses.

(9) AS USED IN THIS SECTION, "NON-DRIVING FACTORS" MEANS ANY FACTOR FOR WHICH THERE IS NO RATIONAL CORRELATION BETWEEN THE FACTOR AND INSURANCE LOSSES. THE DIRECTOR SHALL PROMULGATE RULES UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, TO ESTABLISH THE FACTORS THAT ARE NON-DRIVING FACTORS. AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, AN INSURER SHALL NOT USE A FACTOR TO ESTABLISH A RATE FOR AUTOMOBILE INSURANCE IF THE FACTOR IS IN THE RULES PROMULGATED UNDER THIS SUBSECTION.

SEC. 2111F. (1) BEFORE 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, AN INSURER THAT OFFERS AUTOMOBILE INSURANCE IN THIS STATE SHALL FILE PREMIUM RATES FOR PERSONAL PROTECTION INSURANCE COVERAGE FOR AUTOMOBILE INSURANCE POLICIES EFFECTIVE AFTER 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION AND BEFORE 1 YEAR AND 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

(2) THE PREMIUM RATES FILED UNDER SUBSECTION (1), AND ANY SUBSEQUENT PREMIUM RATES FILED BY THE INSURER FOR PERSONAL PROTECTION INSURANCE COVERAGE UNDER AUTOMOBILE INSURANCE POLICIES EFFECTIVE BEFORE 5 YEARS AND 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, MUST RESULT, AS NEARLY AS PRACTICABLE, IN AN AVERAGE REDUCTION PER VEHICLE FROM THE PREMIUM RATES FOR PERSONAL PROTECTION INSURANCE COVERAGE THAT WERE IN EFFECT FOR THE INSURER ON MAY 1, 2019 AS FOLLOWS:

(A) FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3107C(1) (A), AN AVERAGE 80% OR GREATER REDUCTION PER VEHICLE.

(B) FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3107C(1) (B), AN AVERAGE 60% OR GREATER REDUCTION PER VEHICLE.

(C) FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3107C(1) (C), AN AVERAGE 30% OR GREATER REDUCTION PER VEHICLE.

(D) FOR POLICIES NOT SUBJECT TO ANY COVERAGE LIMIT UNDER SECTION 3107C(1) (D), AN AVERAGE 10% OR GREATER REDUCTION PER VEHICLE.

(3) FOR A POLICY UNDER WHICH AN ELECTION UNDER SECTION 3107D HAS BEEN MADE TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER SECTION 3107(1) (A), THE PREMIUM RATES FILED UNDER SUBSECTION (1), AND ANY SUBSEQUENT PREMIUM RATES FILED BY THE INSURER FOR PERSONAL PROTECTION INSURANCE COVERAGE UNDER AUTOMOBILE INSURANCE POLICIES EFFECTIVE BEFORE 5 YEARS AND 6 MONTHS AFTER THE EFFECTIVE DATE

OF THE AMENDATORY ACT THAT ADDED THIS SECTION, MUST RESULT IN NO PREMIUM CHARGE FOR COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER SECTION 3107(1) (A) .

(4) THE DIRECTOR SHALL REVIEW PREMIUM RATES FILED BY AN INSURER UNDER SUBSECTIONS (1) TO (3) FOR COMPLIANCE WITH SUBSECTIONS (1) TO (3) . THE DIRECTOR SHALL DISAPPROVE A FILING THAT DOES NOT COMPLY WITH SUBSECTIONS (1) TO (3) .

(5) IF THE DIRECTOR DISAPPROVES A PREMIUM RATE FILING UNDER SUBSECTION (4) , THE INSURER SHALL SUBMIT A REVISED PREMIUM RATE FILING TO THE DIRECTOR WITHIN 15 DAYS OF THE DISAPPROVAL. THE PREMIUM RATE FILING IS SUBJECT TO REVIEW IN THE SAME MANNER AS AN ORIGINAL PREMIUM RATE FILING UNDER SUBSECTION (4) .

(6) AFTER 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION AND BEFORE 5 YEARS AND 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, AN INSURER SHALL NOT ISSUE OR RENEW AN AUTOMOBILE INSURANCE POLICY IN THIS STATE UNLESS THE PREMIUM RATES FILED BY THE INSURER FOR PERSONAL PROTECTION INSURANCE COVERAGE ARE APPROVED UNDER THIS SECTION.

(7) FOR PURPOSES OF CALCULATING A PERSONAL PROTECTION INSURANCE PREMIUM OR PREMIUM RATE UNDER THIS SECTION, THE PREMIUM INCLUDES THE CATASTROPHIC CLAIMS ASSESSMENT IMPOSED UNDER SECTION 3104.]

13 SEC. 2116B. (1) SUBJECT TO SUBSECTION (2) , AN AUTOMOBILE
14 INSURER SHALL NOT REFUSE TO INSURE, REFUSE TO CONTINUE TO INSURE,
15 LIMIT COVERAGE AVAILABLE TO, CHARGE A REINSTATEMENT FEE FOR, OR
16 INCREASE THE PREMIUMS FOR AUTOMOBILE INSURANCE FOR AN ELIGIBLE
17 PERSON SOLELY BECAUSE THE PERSON PREVIOUSLY FAILED TO MAINTAIN
18 INSURANCE REQUIRED BY SECTION 3101 FOR A VEHICLE OWNED BY THE
19 PERSON.

20 (2) THIS SECTION ONLY APPLIES TO AN ELIGIBLE PERSON THAT
21 APPLIES FOR AUTOMOBILE INSURANCE WITHIN 1 YEAR AFTER THE EFFECTIVE
22 DATE OF THIS SECTION.

23 Sec. 2118. (1) As a condition of maintaining its certificate
24 of authority, an insurer shall not refuse to insure, refuse to
25 continue to insure, or limit coverage available to an eligible
26 person for automobile insurance, except in accordance with
27 underwriting rules established pursuant to ~~AS PROVIDED IN~~ **AS PROVIDED IN** this

1 section and sections 2119 and 2120.

2 (2) The underwriting rules that an insurer may establish for
3 automobile insurance ~~shall~~**MUST** be based only on the following:

4 (a) Criteria identical to the standards set forth in section
5 2103(1).

6 (b) The insurance eligibility point accumulation in excess of
7 the amounts established by section 2103(1) of a member of the
8 household of the eligible person insured or to be insured, if the
9 member of the household usually accounts for 10% or more of the use
10 of a vehicle insured or to be insured. For purposes of this
11 subdivision, a person who is the principal driver for 1 automobile
12 insurance policy ~~shall be~~**IS** rebuttably presumed not to usually
13 account for more than 10% of the use of other vehicles of the
14 household not insured under the policy of that person.

15 (c) With respect to a vehicle insured or to be insured,
16 substantial modifications from the vehicle's original manufactured
17 state for purposes of increasing the speed or acceleration
18 capabilities of the vehicle.

19 (d) Except as otherwise provided in section 2116a **OR 2116B**,
20 failure by the person to provide proof that insurance required by
21 section 3101 was maintained in force with respect to any vehicle
22 that was both owned by the person and driven or moved by the person
23 or by a member of the household of the person during the 6-month
24 period immediately preceding application. ~~Such~~**THE** proof ~~shall~~**MUST**
25 take the form of a certification by the person on a form provided
26 by the insurer that the vehicle was not driven or moved without
27 maintaining the insurance required by section 3101 during the 6-

1 month period immediately preceding application.

2 (e) Type of vehicle insured or to be insured, based on 1 of
3 the following, without regard to the age of the vehicle:

4 (i) The vehicle is of limited production or of custom
5 manufacture.

6 (ii) The insurer does not have a rate lawfully in effect for
7 the type of vehicle.

8 (iii) The vehicle represents exposure to extraordinary expense
9 for repair or replacement under comprehensive or collision
10 coverage.

11 (f) Use of a vehicle insured or to be insured for
12 transportation of passengers for hire, for rental purposes, or for
13 commercial purposes. Rules under this subdivision ~~shall~~**MUST** not be
14 based on the use of a vehicle for volunteer or charitable purposes
15 or for which reimbursement for normal operating expenses is
16 received.

17 (g) Payment of a minimum deposit at the time of application or
18 renewal, not to exceed the smallest deposit required under an
19 extended payment or premium finance plan customarily used by the
20 insurer.

21 (h) For purposes of requiring comprehensive deductibles of not
22 more than \$150.00, or of refusing to insure if the person refuses
23 to accept a required deductible, the claim experience of the person
24 with respect to comprehensive coverage.

25 (i) Total abstinence from the consumption of alcoholic
26 beverages except if such beverages are consumed as part of a
27 religious ceremony. However, an insurer shall not ~~utilize~~**USE** an

1 underwriting rule based on this subdivision unless the insurer ~~has~~
2 ~~been~~**WAS** authorized to transact automobile insurance in this state
3 ~~prior to~~**BEFORE** January 1, 1981, and has consistently ~~utilized~~**USED**
4 such an underwriting rule as part of the insurer's automobile
5 insurance underwriting since being authorized to transact
6 automobile insurance in this state.

7 (j) One or more incidents involving a threat, harassment, or
8 physical assault by the insured or applicant for insurance on an
9 insurer employee, agent, or agent employee while acting within the
10 scope of his or her employment, ~~so long as~~**IF** a report of the
11 incident was filed with an appropriate law enforcement agency.

12 Sec. 2120. (1) Affiliated insurers may establish underwriting
13 rules so that each affiliate will provide automobile insurance only
14 to certain eligible persons. This subsection ~~shall apply~~**APPLIES**
15 only if an eligible person can obtain automobile insurance from 1
16 of the affiliates. The underwriting rules ~~shall~~**MUST** be in
17 compliance with this section and sections 2118 and 2119.

18 (2) An insurer may establish separate rating plans so that
19 certain eligible persons are provided automobile insurance under 1
20 rating plan and other eligible persons are provided automobile
21 insurance under another rating plan. This subsection ~~shall apply~~
22 **APPLIES** only if all eligible persons can obtain automobile
23 insurance under a rating plan of the insurer. Underwriting rules
24 consistent with this section and sections 2118 and 2119 ~~shall~~**MUST**
25 be established to define the rating plan applicable to each
26 eligible person.

27 (3) Underwriting rules under this section ~~shall~~**MUST** be based

1 only on the following:

2 (a) With respect to a vehicle insured or to be insured,
3 substantial modifications from the vehicle's original manufactured
4 state for purposes of increasing the speed or acceleration
5 capabilities of the vehicle.

6 (b) Except as otherwise provided in section 2116a **OR 2116B**,
7 failure of the person to provide proof that insurance required by
8 section 3101 was maintained in force with respect to any vehicle
9 owned and operated by the person or by a member of the household of
10 the person during the 6-month period immediately preceding
11 application or renewal of the policy. ~~Such~~**THE** proof ~~shall~~**MUST**
12 take the form of a certification by the person that the required
13 insurance was maintained in force for the 6-month period with
14 respect to ~~such~~**THE** vehicle.

15 (c) For purposes of insuring persons who have refused a
16 deductible lawfully required under section 2118(2)(h), the claim
17 experience of the person with respect to comprehensive coverage.

18 (d) Refusal of the person to pay a minimum deposit required
19 under section 2118(2)(g).

20 (e) A person's insurance eligibility point accumulation under
21 section 2103(1)(h), or the total insurance eligibility point
22 accumulation of all persons who account for 10% or more of the use
23 of 1 or more vehicles insured or to be insured under the policy.

24 (f) The type of vehicle insured or to be insured as provided
25 in section 2118(2)(e).

[Sec. 2151. As used in this chapter:

(a) "Adverse action" means an increase in any charge for, or a reduction or other adverse or unfavorable change in the terms of coverage or amount of, any personal insurance, existing or applied for.

(b) "Consumer reporting agency" means any person ~~which~~**THAT**, for monetary fees or dues or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.

(c) "Credit information" means any credit-related information derived from a credit report, found on a credit report itself, or

provided on an application for personal insurance. Information that is not credit-related ~~shall~~**IS** not be ~~considered~~ credit information, regardless of whether it is contained in a credit report or in an application, or is used to calculate an insurance score.

(d) "Credit report" means any written, oral, or other communication of information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, or credit capacity that is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in the rating of personal insurance.

(e) "Insurance score" means a number or rating that is derived from an algorithm, computer application, model, or other process that is based in whole or in part on credit information for the purposes of predicting the future insurance loss exposure of an individual applicant or insured.

(f) "Personal insurance" means property/casualty insurance written for personal, family, or household use, including ~~automobile~~, home, motorcycle, mobile home, noncommercial dwelling fire, boat, personal watercraft, snowmobile, and recreational vehicle, whether written on an individual, group, franchise, blanket policy, or similar basis. **PERSONAL INSURANCE DOES NOT INCLUDE AUTOMOBILE INSURANCE.]**

26 Sec. 3101. (1) ~~The~~**EXCEPT AS PROVIDED IN SECTION 3107D, THE**

27 owner or registrant of a motor vehicle required to be registered in

1 this state shall maintain security for payment of benefits under
2 personal protection insurance ~~AND~~ property protection insurance
3 **AS REQUIRED UNDER THIS CHAPTER**, and residual liability insurance.
4 Security is only required to be in effect during the period the
5 motor vehicle is driven or moved on a highway. Notwithstanding any
6 other provision in this act, an insurer that has issued an
7 automobile insurance policy on a motor vehicle that is not driven
8 or moved on a highway may allow the insured owner or registrant of
9 the motor vehicle to delete a portion of the coverages under the
10 policy and maintain the comprehensive coverage portion of the
11 policy in effect.

12 (2) As used in this chapter:

13 (a) "Automobile insurance" means that term as defined in
14 section 2102.

15 (b) "Commercial quadricycle" means a vehicle to which all of
16 the following apply:

17 (i) The vehicle has fully operative pedals for propulsion
18 entirely by human power.

19 (ii) The vehicle has at least 4 wheels and is operated in a
20 manner similar to a bicycle.

21 (iii) The vehicle has at least 6 seats for passengers.

22 (iv) The vehicle is designed to be occupied by a driver and
23 powered either by passengers providing pedal power to the drive
24 train of the vehicle or by a motor capable of propelling the
25 vehicle in the absence of human power.

26 (v) The vehicle is used for commercial purposes.

27 (vi) The vehicle is operated by the owner of the vehicle or an

1 employee of the owner of the vehicle.

2 (c) "Electric bicycle" means that term as defined in section
3 13e of the Michigan vehicle code, 1949 PA 300, MCL 257.13e.

4 (d) "Golf cart" means a vehicle designed for transportation
5 while playing the game of golf.

6 (e) "Highway" means highway or street as that term is defined
7 in section 20 of the Michigan vehicle code, 1949 PA 300, MCL
8 257.20.

9 (f) "Moped" means that term as defined in section 32b of the
10 Michigan vehicle code, 1949 PA 300, MCL 257.32b.

11 (g) "Motorcycle" means a vehicle that has a saddle or seat for
12 the use of the rider, is designed to travel on not more than 3
13 wheels in contact with the ground, and is equipped with a motor
14 that exceeds 50 cubic centimeters piston displacement. For purposes
15 of this subdivision, the wheels on any attachment to the vehicle
16 are not considered as wheels in contact with the ground. Motorcycle
17 does not include a moped or an ORV.

18 (h) "Motorcycle accident" means a loss that involves the
19 ownership, operation, maintenance, or use of a motorcycle as a
20 motorcycle, but does not involve the ownership, operation,
21 maintenance, or use of a motor vehicle as a motor vehicle.

22 (i) "Motor vehicle" means a vehicle, including a trailer, that
23 is operated or designed for operation on a public highway by power
24 other than muscular power and has more than 2 wheels. Motor vehicle
25 does not include any of the following:

26 (i) A motorcycle.

27 (ii) A moped.

1 (iii) A farm tractor or other implement of husbandry that is
2 not subject to the registration requirements of the Michigan
3 vehicle code under section 216 of the Michigan vehicle code, 1949
4 PA 300, MCL 257.216.

5 (iv) An ORV.

6 (v) A golf cart.

7 (vi) A power-driven mobility device.

8 (vii) A commercial quadricycle.

9 (viii) An electric bicycle.

10 (j) "Motor vehicle accident" means a loss that involves the
11 ownership, operation, maintenance, or use of a motor vehicle as a
12 motor vehicle regardless of whether the accident also involves the
13 ownership, operation, maintenance, or use of a motorcycle as a
14 motorcycle.

15 (k) "ORV" means a motor-driven recreation vehicle designed for
16 off-road use and capable of cross-country travel without benefit of
17 road or trail, on or immediately over land, snow, ice, marsh,
18 swampland, or other natural terrain. ORV includes, but is not
19 limited to, a multitrack or multiwheel drive vehicle, a motorcycle
20 or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious
21 machine, a ground effect air cushion vehicle, an ATV as defined in
22 section 81101 of the natural resources and environmental protection
23 act, 1994 PA 451, MCL 324.81101, or other means of transportation
24 deriving motive power from a source other than muscle or wind. ORV
25 does not include a vehicle described in this subdivision that is
26 registered for use on a public highway and has the security
27 required under subsection (1) or section 3103 in effect.

1 (l) "Owner" means any of the following:

2 (i) A person renting a motor vehicle or having the use of a
3 motor vehicle, under a lease or otherwise, for a period that is
4 greater than 30 days.

5 (ii) A person renting a motorcycle or having the use of a
6 motorcycle under a lease for a period that is greater than 30 days,
7 or otherwise for a period that is greater than 30 consecutive days.
8 A person who borrows a motorcycle for a period that is less than 30
9 consecutive days with the consent of the owner is not an owner
10 under this subparagraph.

11 (iii) A person that holds the legal title to a motor vehicle
12 or motorcycle, other than a person engaged in the business of
13 leasing motor vehicles or motorcycles that is the lessor of a motor
14 vehicle or motorcycle under a lease that provides for the use of
15 the motor vehicle or motorcycle by the lessee for a period that is
16 greater than 30 days.

17 (iv) A person that has the immediate right of possession of a
18 motor vehicle or motorcycle under an installment sale contract.

19 (m) "Power-driven mobility device" means a wheelchair or other
20 mobility device powered by a battery, fuel, or other engine and
21 designed to be used by an individual with a mobility disability for
22 the purpose of locomotion.

23 (n) "Registrant" does not include a person engaged in the
24 business of leasing motor vehicles or motorcycles that is the
25 lessor of a motor vehicle or motorcycle under a lease that provides
26 for the use of the motor vehicle or motorcycle by the lessee for a
27 period that is longer than 30 days.

1 (3) Security required by subsection (1) may be provided under
2 a policy issued by an authorized insurer that affords insurance for
3 the payment of benefits described in subsection (1). A policy of
4 insurance represented or sold as providing security is considered
5 to provide insurance for the payment of the benefits.

6 (4) Security required by subsection (1) may be provided by any
7 other method approved by the secretary of state as affording
8 security equivalent to that afforded by a policy of insurance, if
9 proof of the security is filed and continuously maintained with the
10 secretary of state throughout the period the motor vehicle is
11 driven or moved on a highway. The person filing the security has
12 all the obligations and rights of an insurer under this chapter.
13 When the context permits, "insurer" as used in this chapter,
14 includes a person that files the security as provided in this
15 section.

16 (5) An insurer that issues a policy that provides the security
17 required under subsection (1) may exclude coverage under the policy
18 as provided in section 3017.

19 Sec. 3101a. (1) An insurer, in conjunction with the issuance
20 of an automobile insurance policy, shall provide to the insured 1
21 certificate of insurance for each insured vehicle and for private
22 passenger nonfleet automobiles listed on the policy shall supply to
23 the secretary of state the automobile insurer's name, the name of
24 the named insured, the named insured's address, the vehicle
25 identification number for each vehicle listed on the policy, and
26 the policy number. The insurer shall transmit the information
27 required under this subsection in a format as required by the

1 secretary of state. The secretary of state shall not require the
2 information to be transmitted more frequently than every 14 days.

3 **(2) THE SECRETARY OF STATE SHALL PROVIDE POLICY INFORMATION**
4 **RECEIVED UNDER SUBSECTION (1) TO THE MICHIGAN AUTOMOBILE INSURANCE**
5 **PLACEMENT FACILITY AS REQUIRED FOR THE MICHIGAN AUTOMOBILE**
6 **INSURANCE PLACEMENT FACILITY TO COMPLY WITH THIS ACT. INFORMATION**
7 **RECEIVED BY THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY**
8 **UNDER THIS SUBSECTION IS CONFIDENTIAL AND IS NOT SUBJECT TO THE**
9 **FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246. THE**
10 **MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY SHALL ONLY USE THE**
11 **INFORMATION FOR PURPOSES OF ADMINISTERING THE ASSIGNED CLAIMS PLAN**
12 **UNDER THIS CHAPTER AND SHALL NOT DISCLOSE THE INFORMATION TO ANY**
13 **PERSON UNLESS IT IS FOR THE PURPOSE OF ADMINISTERING THE ASSIGNED**
14 **CLAIMS PLAN OR IN COMPLIANCE WITH AN ORDER BY A COURT OF COMPETENT**
15 **JURISDICTION IN CONNECTION WITH A FRAUD INVESTIGATION OR**
16 **PROSECUTION.**

17 **(3)** ~~(2)~~—The secretary of state shall provide policy
18 information received under subsection (1) to the department of
19 health and human services as required for the department of health
20 and human services to comply with 2006 PA 593, MCL 550.281 to
21 550.289.

22 **(4)** ~~(3)~~—The secretary of state shall accept as proof of
23 vehicle insurance a transmission of the insured vehicle's vehicle
24 identification number. Policy information submitted by an insurer
25 and received by the secretary of state under this section is
26 confidential, is not subject to the freedom of information act,
27 1976 PA 442, MCL 15.231 to 15.246, and ~~shall~~**MUST** not be disclosed

1 to any person except the department of health and human services
2 for purposes of 2006 PA 593, MCL 550.281 to 550.289, or pursuant to
3 an order by a court of competent jurisdiction in connection with a
4 claim or fraud investigation or prosecution. The transmission to
5 the secretary of state of a vehicle identification number is proof
6 of insurance to the secretary of state for motor vehicle
7 registration purposes only and is not evidence that a policy of
8 insurance actually exists between an insurer and an individual.

9 **(5)** ~~(4)~~—A person who supplies false information to the
10 secretary of state under this section or who issues or uses an
11 altered, fraudulent, or counterfeit certificate of insurance is
12 guilty of a misdemeanor punishable by imprisonment for not more
13 than 1 year or a fine of not more than \$1,000.00, or both.

14 **(6)** ~~(5)~~—The department of health and human services shall
15 report to the senate and house of representatives appropriations
16 committees and standing committees concerning insurance issues on
17 the number of claims and total dollar amount recovered from
18 automobile insurers under 2006 PA 593, MCL 550.281 to 550.289. The
19 reports required by this subsection must be given to the
20 appropriations committees and standing committees concerning
21 insurance issues by December 30 of each year and must cover the
22 preceding 12-month period.

23 **(7)** ~~(6)~~—As used in this section:

24 (a) "Automobile insurance" means that term as defined in
25 section 3303.

26 (b) "Private passenger nonfleet automobile" means that term as
27 defined in section 3303.

1 Sec. 3104. (1) ~~An~~ **THE CATASTROPHIC CLAIMS ASSOCIATION IS**
2 **CREATED AS AN** unincorporated, nonprofit association. ~~to be known as~~
3 ~~the catastrophic claims association, hereinafter referred to as the~~
4 ~~association, is created.~~ Each insurer engaged in writing insurance
5 coverages that provide the security required by section 3101(1)
6 ~~within~~ **IN** this state, as a condition of its authority to transact
7 insurance in this state, shall be a member of the association and
8 ~~shall be~~ **IS** bound by the plan of operation of the association. ~~Each~~
9 **AN** insurer engaged in writing insurance coverages that provide the
10 security required by section 3103(1) ~~within~~ **IN** this state, as a
11 condition of its authority to transact insurance in this state,
12 ~~shall be~~ **IS** considered **TO BE** a member of the association, but only
13 for purposes of premiums under subsection (7) (d). Except as
14 expressly provided in this section, the association is not subject
15 to any laws of this state with respect to insurers, but in all
16 other respects the association is subject to the laws of this state
17 to the extent that the association would be if it were an insurer
18 organized and subsisting under chapter 50.

19 (2) ~~The~~ **FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED**
20 **BEFORE 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT**
21 **ADDED SECTION 3107C AND FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED**
22 **OR RENEWED AFTER 6 MONTHS AFTER THE EFFECTIVE DATE OF THE**
23 **AMENDATORY ACT THAT ADDED SECTION 3107C FOR WHICH THE COVERAGE**
24 **LEVEL UNDER SECTION 3107C(1) (D) APPLIES, THE** association shall
25 provide and each member shall accept indemnification for 100% of
26 the amount of ultimate loss sustained under personal protection
27 insurance coverages in excess of the following amounts in each loss

1 occurrence:

2 (a) For a motor vehicle accident policy issued or renewed
3 before July 1, 2002, \$250,000.00.

4 (b) For a motor vehicle accident policy issued or renewed
5 during the period July 1, 2002 to June 30, 2003, \$300,000.00.

6 (c) For a motor vehicle accident policy issued or renewed
7 during the period July 1, 2003 to June 30, 2004, \$325,000.00.

8 (d) For a motor vehicle accident policy issued or renewed
9 during the period July 1, 2004 to June 30, 2005, \$350,000.00.

10 (e) For a motor vehicle accident policy issued or renewed
11 during the period July 1, 2005 to June 30, 2006, \$375,000.00.

12 (f) For a motor vehicle accident policy issued or renewed
13 during the period July 1, 2006 to June 30, 2007, \$400,000.00.

14 (g) For a motor vehicle accident policy issued or renewed
15 during the period July 1, 2007 to June 30, 2008, \$420,000.00.

16 (h) For a motor vehicle accident policy issued or renewed
17 during the period July 1, 2008 to June 30, 2009, \$440,000.00.

18 (i) For a motor vehicle accident policy issued or renewed
19 during the period July 1, 2009 to June 30, 2010, \$460,000.00.

20 (j) For a motor vehicle accident policy issued or renewed
21 during the period July 1, 2010 to June 30, 2011, \$480,000.00.

22 (k) For a motor vehicle accident policy issued or renewed
23 during the period July 1, 2011 to June 30, 2013, \$500,000.00.

24 **(l) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED**
25 **DURING THE PERIOD JULY 1, 2013 TO JUNE 30, 2015, \$530,000.00.**

26 **(m) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED**
27 **DURING THE PERIOD JULY 1, 2015 TO JUNE 30, 2017, \$545,000.00.**

1 (N) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED
2 DURING THE PERIOD JULY 1, 2017 TO JUNE 30, 2019, \$555,000.00.

3 (O) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED
4 DURING THE PERIOD JULY 1, 2019 TO JUNE 30, 2021, \$580,000.00.

5 Beginning July 1, ~~2013, 2021~~, this ~~\$500,000.00~~ **\$580,000.00** amount
6 shall ~~MUST~~ be increased biennially on July 1 of each odd-numbered
7 year, for policies issued or renewed before July 1 of the following
8 odd-numbered year, by the lesser of 6% or the ~~consumer price index,~~
9 **CONSUMER PRICE INDEX**, and rounded to the nearest \$5,000.00. ~~This~~
10 **THE ASSOCIATION SHALL CALCULATE THIS** biennial adjustment shall be
11 ~~calculated by the association by~~ January 1 of the year of its July
12 1 effective date.

13 (3) An insurer may withdraw from the association only ~~upon~~ **ON**
14 ceasing to write insurance that provides the security required by
15 section 3101(1) in this state.

16 (4) An insurer whose membership in the association has been
17 terminated by withdrawal shall ~~continue~~ **CONTINUES** to be bound by
18 the plan of operation, and ~~upon~~ **ON** withdrawal, all unpaid premiums
19 that have been charged to the withdrawing member are payable as of
20 the effective date of the withdrawal.

21 (5) An unsatisfied net liability to the association of an
22 insolvent member shall ~~MUST~~ be assumed by and apportioned among the
23 remaining members of the association as provided in the plan of
24 operation. The association has all rights allowed by law on behalf
25 of the remaining members against the estate or funds of the
26 insolvent member for ~~sums~~ **MONEY** due the association.

27 (6) If a member has been merged or consolidated into another

1 insurer or another insurer has reinsured a member's entire business
2 that provides the security required by section 3101(1) in this
3 state, the member and successors in interest of the member remain
4 liable for the member's obligations.

5 (7) The association shall do all of the following on behalf of
6 the members of the association:

7 (a) Assume 100% of all liability as provided in subsection
8 (2).

9 (b) Establish procedures by which members ~~shall~~**MUST** promptly
10 report to the association each claim that, on the basis of the
11 injuries or damages sustained, may reasonably be anticipated to
12 involve the association if the member is ultimately held legally
13 liable for the injuries or damages. Solely for the purpose of
14 reporting claims, the member shall in all instances consider itself
15 legally liable for the injuries or damages. The member shall also
16 advise the association of subsequent developments likely to
17 materially affect the interest of the association in the claim.

18 (c) Maintain relevant loss and expense data ~~relative~~**RELATING**
19 to all liabilities of the association and require each member to
20 furnish statistics, in connection with liabilities of the
21 association, at the times and in the form and detail as ~~may be~~
22 required by the plan of operation.

23 (d) In a manner provided for in the plan of operation,
24 calculate and charge to members of the association a total premium
25 sufficient to cover the expected losses and expenses of the
26 association that the association will likely incur during the
27 period for which the premium is applicable. The **TOTAL** premium ~~shall~~

1 **MUST** include an amount to cover incurred but not reported losses
2 for the period and ~~may~~**MUST** be adjusted for any excess or deficient
3 premiums from previous periods. Excesses or deficiencies from
4 previous periods ~~may~~**MUST EITHER** be fully adjusted in a single
5 period or ~~may~~be adjusted over several periods in a manner provided
6 for in the plan of operation. Each member ~~shall~~**MUST** be charged an
7 amount equal to that member's total written car years of insurance
8 providing the security required by section 3101(1) or 3103(1), or
9 both, written in this state during the period to which the premium
10 applies, **WITH THE TOTAL WRITTEN CAR YEARS OF INSURANCE** multiplied
11 by the **APPLICABLE** average premium per car. The average premium per
12 car ~~shall be~~**IS** the total premium, ~~calculated~~**AS ADJUSTED FOR ANY**
13 **EXCESSES OR DEFICIENCIES**, divided by the total written car years of
14 insurance providing the security required by section 3101(1) or
15 3103(1), **OR BOTH**, written in this state of all members during the
16 period to which the premium applies, **EXCLUDING CARS INSURED UNDER A**
17 **POLICY WITH A COVERAGE LIMIT UNDER SECTION 3107C(1) (A), (B), OR (C)**
18 **OR AS TO WHICH AN ELECTION TO NOT MAINTAIN PERSONAL PROTECTION**
19 **INSURANCE BENEFITS HAS BEEN MADE UNDER SECTION 3107D EXCEPT FOR ANY**
20 **PORTION OF TOTAL PREMIUM THAT IS AN ADJUSTMENT FOR A DEFICIENCY IN**
21 **A PREVIOUS PERIOD. A MEMBER MAY NOT BE CHARGED A PREMIUM FOR A CAR**
22 **INSURED UNDER A POLICY WITH A COVERAGE LIMIT UNDER SECTION**
23 **3107C(1) (A), (B), OR (C) OR AS TO WHICH AN ELECTION TO NOT MAINTAIN**
24 **PERSONAL PROTECTION INSURANCE BENEFITS HAS BEEN MADE UNDER SECTION**
25 **3107D OTHER THAN FOR THE PORTION OF THE TOTAL PREMIUM ATTRIBUTABLE**
26 **TO AN ADJUSTMENT FOR A DEFICIENCY IN A PREVIOUS PERIOD.** A member
27 ~~shall~~**MUST** be charged a premium for a historic vehicle that is

1 insured with the member of 20% of the premium charged for a car
2 insured with the member. ~~As used in this subdivision:~~

3 ~~—— (i) "Car" includes a motorcycle but does not include a~~
4 ~~historic vehicle.~~

5 ~~—— (ii) "Historic vehicle" means a vehicle that is a registered~~
6 ~~historic vehicle under section 803a or 803p of the Michigan vehicle~~
7 ~~code, 1949 PA 300, MCL 257.803a and 257.803p.~~

8 (e) Require and accept the payment of premiums from members of
9 the association as provided for in the plan of operation. The
10 association shall do either of the following:

11 (i) Require payment of the premium in full within 45 days
12 after the premium charge.

13 (ii) Require payment of the premiums to be made periodically
14 to cover the actual cash obligations of the association.

15 (f) Receive and distribute all ~~sums~~ **MONEY** required by the
16 operation of the association.

17 (g) Establish procedures for reviewing claims procedures and
18 practices of members of the association. If the claims procedures
19 or practices of a member are considered inadequate to properly
20 service the liabilities of the association, the association may
21 undertake or may contract with another person, including another
22 member, to adjust or assist in the adjustment of claims for the
23 member on claims that create a potential liability to the
24 association and may charge the cost of the adjustment to the
25 member.

26 **(H) PROVIDE ANY RECORDS NECESSARY OR REQUESTED BY THE DIRECTOR**
27 **FOR THE ACTUARIAL EXAMINATION UNDER SUBSECTION (21).**

1 **(I) SUBJECT TO SUBSECTION (23), OBEY AN ORDER OF THE DIRECTOR**
2 **FOR A REBATE UNDER SUBSECTION (22).**

3 (8) In addition to other powers granted to it by this section,
4 the association may do all of the following:

5 (a) Sue and be sued in the name of the association. A judgment
6 against the association ~~shall~~**DOES** not create any direct liability
7 against the individual members of the association. The association
8 may provide for the indemnification of its members, members of the
9 board of directors of the association, and officers, employees, and
10 other persons lawfully acting on behalf of the association.

11 (b) Reinsure all or any portion of its potential liability
12 with reinsurers licensed to transact insurance in this state or
13 approved by the ~~commissioner~~**DIRECTOR**.

14 (c) Provide for appropriate housing, equipment, and personnel
15 as ~~may be~~ necessary to assure the efficient operation of the
16 association.

17 (d) Pursuant to the plan of operation, adopt reasonable rules
18 for the administration of the association, enforce those rules, and
19 delegate authority, as the board considers necessary to assure the
20 proper administration and operation of the association consistent
21 with the plan of operation.

22 (e) Contract for goods and services, including independent
23 claims management, actuarial, investment, and legal services, from
24 others ~~within~~**IN** or ~~without~~**OUTSIDE OF** this state to assure the
25 efficient operation of the association.

26 (f) Hear and determine complaints of a company or other
27 interested party concerning the operation of the association.

1 (g) Perform other acts not specifically enumerated in this
2 section that are necessary or proper to accomplish the purposes of
3 the association and that are not inconsistent with this section or
4 the plan of operation.

5 (9) A board of directors is created ~~, hereinafter referred to~~
6 ~~as the board, which shall be responsible for the operation of~~ **AND**
7 **SHALL OPERATE** the association consistent with the plan of operation
8 and this section.

9 (10) The plan of operation ~~shall~~ **MUST** provide for all of the
10 following:

11 (a) The establishment of necessary facilities.

12 (b) The management and operation of the association.

13 (c) Procedures to be utilized in charging premiums, including
14 adjustments from excess or deficient premiums from prior periods.

15 **THE PLAN MUST REQUIRE THAT ANY DEFICIENCY FROM A PRIOR PERIOD BE**
16 **AMORTIZED OVER NOT FEWER THAN 15 YEARS.**

17 **(D) PROCEDURES FOR A REBATE TO MEMBERS OF THE ASSOCIATION, FOR**
18 **DISTRIBUTION TO INSUREDS AS PROVIDED IN SUBSECTION (24), AS ORDERED**
19 **BY THE DIRECTOR UNDER SUBSECTION (22). THE PROCEDURES MUST PROVIDE**
20 **FOR A DISTRIBUTION OF A REBATE ATTRIBUTABLE TO A HISTORIC VEHICLE**
21 **EQUAL TO 20% OF THE REBATE FOR A CAR THAT IS NOT A HISTORIC**
22 **VEHICLE.**

23 **(E)** ~~(d)~~ Procedures governing the actual payment of premiums to
24 the association.

25 **(F)** ~~(e)~~ Reimbursement of each member of the board by the
26 association for actual and necessary expenses incurred on
27 association business.

1 (G) ~~(f)~~ The investment policy of the association.

2 (H) ~~(g)~~ Any other matters required by or necessary to
3 effectively implement this section.

4 (11) ~~Each~~ **THE** board ~~shall~~ **MUST** include members that would
5 contribute a total of not less than 40% of the total premium
6 calculated ~~pursuant to~~ **UNDER** subsection (7) (d). Each ~~director shall~~
7 ~~be~~ **BOARD MEMBER IS** entitled to 1 vote. The initial term of office
8 of a ~~director shall be~~ **BOARD MEMBER IS** 2 years.

9 (12) As part of the plan of operation, the board shall adopt
10 rules providing for the composition and ~~term of successor boards to~~
11 the ~~initial~~ board **AND THE TERMS OF BOARD MEMBERS**, consistent with
12 the membership composition requirements in subsections (11) and
13 (13). Terms of the ~~directors shall~~ **BOARD MEMBERS MUST** be staggered
14 so that the terms of all the ~~directors~~ **BOARD MEMBERS** do not expire
15 at the same time and so that a ~~director~~ **BOARD MEMBER** does not serve
16 a term of more than 4 years.

17 (13) The board ~~shall~~ **MUST** consist of 5 ~~directors,~~ **BOARD**
18 **MEMBERS** and the ~~commissioner~~ **DIRECTOR, WHO** shall ~~be~~ **SERVE AS** an ex
19 officio member of the board without vote.

20 (14) ~~Each director~~ **THE DIRECTOR** shall ~~be appointed by the~~
21 ~~commissioner and~~ **APPOINT THE BOARD MEMBERS. A BOARD MEMBER** shall
22 serve until ~~that member's~~ **HIS OR HER** successor is selected and
23 qualified. The **BOARD SHALL ELECT THE** chairperson of the board.
24 ~~shall be elected by the board. A~~ **THE DIRECTOR SHALL FILL ANY**
25 vacancy on the board ~~shall be filled by the commissioner consistent~~
26 ~~with~~ **AS PROVIDED IN** the plan of operation.

27 (15) ~~After the board is appointed, the~~ **THE** board shall meet as

1 often as the chairperson, the commissioner, ~~DIRECTOR~~, or the plan
 2 of operation shall require, ~~REQUIRES~~, or at the request of any 3
 3 members of the board. ~~BOARD MEMBERS~~. The chairperson shall retain
 4 the right to ~~MAY~~ vote on all issues. Four members of the board
 5 ~~BOARD MEMBERS~~ constitute a quorum.

6 (16) ~~An~~ ~~THE BOARD SHALL FURNISH TO EACH MEMBER OF THE~~
 7 ~~ASSOCIATION AN~~ annual report of the operations of the association
 8 in a form and detail as may be determined by the board. ~~shall be~~
 9 ~~furnished to each member.~~

10 ~~—— (17) Not more than 60 days after the initial organizational~~
 11 ~~meeting of the board, the board shall submit to the commissioner~~
 12 ~~for approval a proposed plan of operation consistent with the~~
 13 ~~objectives and provisions of this section, which shall provide for~~
 14 ~~the economical, fair, and nondiscriminatory administration of the~~
 15 ~~association and for the prompt and efficient provision of~~
 16 ~~indemnity. If a plan is not submitted within this 60-day period,~~
 17 ~~then the commissioner, after consultation with the board, shall~~
 18 ~~formulate and place into effect a plan consistent with this~~
 19 ~~section.~~

20 ~~—— (18) The plan of operation, unless approved sooner in writing,~~
 21 ~~shall be considered to meet the requirements of this section if it~~
 22 ~~is not disapproved by written order of the commissioner within 30~~
 23 ~~days after the date of its submission. Before disapproval of all or~~
 24 ~~any part of the proposed plan of operation, the commissioner shall~~
 25 ~~notify the board in what respect the plan of operation fails to~~
 26 ~~meet the requirements and objectives of this section. If the board~~
 27 ~~fails to submit a revised plan of operation that meets the~~

1 ~~requirements and objectives of this section within the 30 day~~
 2 ~~period, the commissioner shall enter an order accordingly and shall~~
 3 ~~immediately formulate and place into effect a plan consistent with~~
 4 ~~the requirements and objectives of this section.~~

5 (17) ~~(19) The proposed plan of operation or ANY~~ amendments to
 6 the plan of operation are subject to majority approval by the
 7 board, ~~ratified~~ **RATIFICATION** by a majority of the membership **OF THE**
 8 **ASSOCIATION** having a vote, with voting rights being apportioned
 9 according to the premiums charged in subsection (7) (d), and ~~are~~
 10 ~~subject to approval by the commissioner.~~ **DIRECTOR.**

11 (18) ~~(20) Upon approval by the commissioner and ratification~~
 12 ~~by the members of the plan submitted, or upon the promulgation of a~~
 13 ~~plan by the commissioner, each AN~~ insurer authorized to write
 14 insurance providing the security required by section 3101(1) in
 15 this state, as provided in this section, is bound by and shall
 16 formally subscribe to and participate in the plan ~~approved~~ **OF**
 17 **OPERATION** as a condition of maintaining its authority to transact
 18 insurance in this state.

19 (19) ~~(21) The association is subject to all the reporting,~~
 20 ~~loss reserve, and investment requirements of the commissioner~~
 21 **DIRECTOR** to the same extent as ~~would~~ **IS** a member of the
 22 association.

23 (20) ~~(22) Premiums charged members by the association shall~~
 24 **MUST** be recognized in the rate-making procedures for insurance
 25 rates in the same manner that expenses and premium taxes are
 26 recognized. **IF A MEMBER OF THE ASSOCIATION PASSES ON ANY PORTION OF**
 27 **THE PREMIUM PAYABLE UNDER THIS SECTION TO AN INSURED, THE AMOUNT**

1 PASSED ON MUST EQUAL THE PORTION OF THE PREMIUM PAYABLE BY THE
2 MEMBER UNDER THIS SECTION ATTRIBUTABLE TO THE CAR OR HISTORIC
3 VEHICLE INSURED, INCLUDING ANY ADJUSTMENTS FOR EXCESSES OR
4 DEFICIENCIES FROM A PREVIOUS PERIOD.

5 (21) ~~(23)~~ The ~~commissioner~~ DIRECTOR or an authorized
6 representative of the ~~commissioner~~ DIRECTOR may visit the
7 association at any time and examine any and all OF the
8 association's affairs. BEGINNING JULY 1, 2019, AND EVERY THIRD YEAR
9 AFTER 2019, THE DIRECTOR SHALL ENGAGE 1 OR MORE INDEPENDENT
10 ACTUARIES TO EXAMINE THE AFFAIRS AND RECORDS OF THE ASSOCIATION FOR
11 THE PREVIOUS 3 YEARS. THE ACTUARIAL EXAMINATION MUST BE CONDUCTED
12 USING SOUND ACTUARIAL PRINCIPLES CONSISTENT WITH THE APPLICABLE
13 STATEMENTS OF PRINCIPLES AND THE CODE OF PROFESSIONAL CONDUCT
14 ADOPTED BY THE CASUALTY ACTUARIAL SOCIETY. BY SEPTEMBER 1, 2019 AND
15 BY SEPTEMBER 1 OF EVERY THIRD YEAR AFTER 2019, THE DIRECTOR SHALL
16 PROVIDE A REPORT TO THE LEGISLATURE ON THE RESULTS OF THE AUDIT
17 CONDUCTED UNDER THIS SUBSECTION.

18 (22) IF THE ACTUARIAL EXAMINATION UNDER SUBSECTION (21) SHOWS
19 THAT THE ASSETS OF THE ASSOCIATION EXCEED 120% OF ITS LIABILITIES,
20 INCLUDING INCURRED BUT NOT REPORTED LIABILITIES, AND IF THE REBATE
21 WILL NOT THREATEN THE ASSOCIATION'S ONGOING ABILITY TO PROVIDE
22 REIMBURSEMENTS FOR PERSONAL PROTECTION INSURANCE BENEFITS BASED ON
23 SOUND ACTUARIAL PRINCIPLES CONSISTENT WITH THE APPLICABLE
24 STATEMENTS OF PRINCIPLES AND THE CODE OF PROFESSIONAL CONDUCT
25 ADOPTED BY THE CASUALTY ACTUARIAL SOCIETY, THE DIRECTOR SHALL ORDER
26 THE ASSOCIATION TO REBATE AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN
27 THE TOTAL EXCESS AND 120% OF THE LIABILITIES OF THE ASSOCIATION,

1 INCLUDING INCURRED BUT NOT REPORTED LIABILITIES, UNDER SUBSECTION
2 (10) (D) AND ORDER THE MEMBERS OF THE ASSOCIATION TO DISTRIBUTE THE
3 REBATES UNDER SUBSECTION (24) .

4 (23) WITHIN 30 DAYS AFTER RECEIVING AN ORDER FROM THE DIRECTOR
5 UNDER SUBSECTION (22) , THE ASSOCIATION MAY REQUEST A HEARING TO
6 REVIEW THE ORDER BY FILING A WRITTEN REQUEST WITH THE DIRECTOR. THE
7 DEPARTMENT SHALL CONDUCT THE REVIEW AS A CONTESTED CASE UNDER THE
8 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
9 24.328 .

10 (24) A MEMBER OF THE ASSOCIATION SHALL DISTRIBUTE ANY REBATE
11 IT RECEIVES UNDER SUBSECTION (10) (D) TO THE PERSONS THAT IT INSURES
12 UNDER POLICIES THAT PROVIDE THE SECURITY REQUIRED UNDER SECTION
13 3101(1) OR 3103(1) , OR BOTH, AND THAT ARE SUBJECT TO A PREMIUM
14 UNDER THIS SECTION ON A UNIFORM BASIS PER CAR AND HISTORIC VEHICLE
15 IN A MANNER AND ON THE DATE OR DATES PROVIDED BY THE DIRECTOR IN
16 ACCORDANCE WITH AN ORDER ISSUED BY THE DIRECTOR. A REBATE
17 ATTRIBUTABLE TO A HISTORIC VEHICLE MUST BE EQUAL TO 20% OF THE
18 REBATE FOR A CAR THAT IS NOT A HISTORIC VEHICLE .

19 (25) BY SEPTEMBER 1 OF EACH YEAR, THE ASSOCIATION SHALL
20 PREPARE, SUBMIT TO THE COMMITTEES OF THE SENATE AND HOUSE OF
21 REPRESENTATIVES WITH JURISDICTION OVER INSURANCE MATTERS, AND POST
22 ON THE ASSOCIATION WEBSITE AN ANNUAL CONSUMER STATEMENT, WRITTEN IN
23 A MANNER INTENDED FOR THE GENERAL PUBLIC. THE STATEMENT MUST
24 INCLUDE ALL OF THE FOLLOWING:

25 (A) THE NUMBER OF CLAIMS OPENED DURING THE PRECEDING 12
26 MONTHS, THE AMOUNT EXPENDED ON THE CLAIMS, AND THE FUTURE
27 ANTICIPATED COSTS OF THE CLAIMS .

1 (B) FOR EACH OF THE PRECEDING 10 YEARS, THE TOTAL NUMBER OF
2 OPEN CLAIMS, THE AMOUNT EXPENDED ON THE CLAIMS, AND THE ANTICIPATED
3 FUTURE COSTS OF THE CLAIMS.

4 (C) FOR EACH OF THE PRECEDING 10 YEARS, THE TOTAL NUMBER OF
5 CLAIMS CLOSED AND THE AMOUNT EXPENDED ON THE CLAIMS.

6 (D) FOR EACH OF THE PRECEDING 10 YEARS, THE RATIO OF CLAIMS
7 OPENED TO CLAIMS CLOSED.

8 (E) FOR EACH OF THE PRECEDING 10 YEARS, THE AVERAGE LENGTH OF
9 OPEN CLAIMS.

10 (F) A STATEMENT OF THE CURRENT FINANCIAL CONDITION OF THE
11 ASSOCIATION AND THE REASONS FOR ANY DEFICIT OR SURPLUS IN COLLECTED
12 ASSESSMENTS COMPARED TO LOSSES.

13 (G) A STATEMENT OF THE ASSUMPTIONS, METHODOLOGY, AND DATA USED
14 TO MAKE REVENUE PROJECTIONS. AS USED IN THIS SUBDIVISION, "REVENUE"
15 MEANS RETURN ON INVESTMENTS.

16 (H) A STATEMENT OF THE ASSUMPTIONS, METHODOLOGY, AND DATA USED
17 TO MAKE COST PROJECTIONS.

18 (I) A LIST OF THE ASSOCIATION'S ASSETS, SORTED BY CATEGORY OR
19 TYPE OF ASSET, SUCH AS STOCKS, BONDS, OR MUTUAL FUNDS, AND THE
20 EXPECTED RETURN ON EACH ASSET.

21 (J) THE TOTAL AMOUNT OF THE ASSOCIATION'S DISCOUNTED AND
22 UNDISCOUNTED LIABILITIES AND A DESCRIPTION AND EXPLANATION OF THE
23 LIABILITIES, INCLUDING AN EXPLANATION OF THE ASSOCIATION'S
24 DEFINITION OF THE TERMS DISCOUNTED AND UNDISCOUNTED.

25 (K) MEASURES TAKEN BY THE ASSOCIATION TO CONTAIN COSTS.

26 (l) A STATEMENT EXPLAINING WHAT PORTION OF THE ASSESSMENT TO
27 INSUREDS AS RECOGNIZED IN RATES UNDER SUBSECTION (20) IS

1 ATTRIBUTABLE TO CLAIMS OCCURRING IN THE PREVIOUS 12 MONTHS,
2 ADMINISTRATIVE COSTS, AND THE AMOUNT, IF ANY, TO ADJUST FOR PAST
3 DEFICITS.

4 (M) A STATEMENT EXPLAINING ANY QUALIFICATIONS IDENTIFIED BY
5 THE INDEPENDENT AUDITORS IN THE MOST RECENT AUDIT REPORT PREPARED
6 UNDER SUBSECTION (21).

7 (N) A LOSS PAYMENT SUMMARY FOR EACH OF THE PRECEDING YEARS BY
8 CATEGORY.

9 (O) FOR EACH OF THE PRECEDING 10 YEARS, AN INJURY TYPE
10 SUMMARY, CATEGORIZING THE INJURIES SUFFERED BY CLAIMANTS THE
11 PAYMENT OF WHOSE CLAIMS ARE BEING REIMBURSED BY THE ASSOCIATION, BY
12 BRAIN INJURIES, INJURIES RESULTING IN QUADRIPLÉGIA, INJURIES
13 RESULTING IN PARAPLEGIA, BURN INJURIES, AND OTHER INJURIES.

14 (P) A SUMMARY OF INVESTMENT RETURNS OVER THE PRECEDING 10
15 YEARS SHOWING THE INVESTMENT BALANCE, THE INVESTMENT GAIN, AND THE
16 PERCENTAGE RETURN ON THE INVESTMENT BALANCE.

17 (Q) A SUMMARY OF THE MORTALITY ASSUMPTIONS USED IN MAKING COST
18 PROJECTIONS.

19 (R) A SUMMARY OF ANY FINANCIAL PRACTICES THAT DIFFER FROM
20 THOSE FOUND IN THE NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS
21 ACCOUNTING PRACTICES AND PROCEDURES MANUAL.

22 (26) BY SEPTEMBER 1 OF EACH YEAR, THE ASSOCIATION SHALL
23 PREPARE AND PROVIDE TO THE COMMITTEES OF THE SENATE AND HOUSE OF
24 REPRESENTATIVES WITH JURISDICTION OVER INSURANCE MATTERS AN ANNUAL
25 REPORT OF THE ASSOCIATION. THE REPORT MUST CONTAIN ALL OF THE
26 FOLLOWING:

27 (A) AN EXECUTIVE SUMMARY.

1 (B) A DISCUSSION OF THE MORTALITY ASSUMPTIONS USED BY THE
2 ASSOCIATION IN MAKING COST PROJECTIONS.

3 (C) AN EVALUATION OF THE ACCURACY OF THE ASSOCIATION'S
4 ACTUARIAL ASSUMPTIONS OVER THE PRECEDING 5 YEARS.

5 (D) THE ANNUAL CONSUMER STATEMENT PREPARED UNDER SUBSECTION
6 (25).

7 (E) ANYTHING ELSE THE ASSOCIATION DETERMINES IS NECESSARY TO
8 ADVISE THE LEGISLATURE ABOUT THE OPERATIONS OF THE ASSOCIATION.

9 (27) ~~(24)~~—The association does not have liability for losses
10 occurring before July 1, 1978. **AFTER THE EFFECTIVE DATE OF THE**
11 **AMENDATORY ACT THAT ADDED SECTION 3107C, THE ASSOCIATION DOES NOT**
12 **HAVE LIABILITY FOR AN ULTIMATE LOSS UNDER PERSONAL PROTECTION**
13 **INSURANCE COVERAGE FOR A MOTOR VEHICLE ACCIDENT POLICY TO WHICH A**
14 **LIMIT UNDER SECTION 3107C(1) (A) TO (C) IS APPLICABLE.**

15 (28) ~~(25)~~—As used in this section:

16 (A) "ASSOCIATION" MEANS THE CATASTROPHIC CLAIMS ASSOCIATION
17 CREATED IN SUBSECTION (1).

18 (B) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE ASSOCIATION
19 CREATED IN SUBSECTION (9).

20 (C) "CAR" INCLUDES A MOTORCYCLE BUT DOES NOT INCLUDE A
21 HISTORIC VEHICLE.

22 (D) ~~(a)~~—"Consumer price index"—**PRICE INDEX** means the
23 percentage of change in the ~~consumer price index~~—**CONSUMER PRICE**
24 **INDEX** for all urban consumers in the United States city average for
25 all items for the 24 months ~~prior to~~—**BEFORE** October 1 of the year
26 ~~prior to~~—**BEFORE** the July 1 effective date of the biennial
27 adjustment under subsection ~~(2) (k)~~—**(2) (O)** as reported by the United

1 ~~States department of labor, bureau of labor statistics,~~ **DEPARTMENT**
 2 **OF LABOR, BUREAU OF LABOR STATISTICS,** and as certified by the
 3 ~~commissioner.~~ **DIRECTOR.**

4 **(E) "HISTORIC VEHICLE" MEANS A VEHICLE THAT IS A REGISTERED**
 5 **HISTORIC VEHICLE UNDER SECTION 803A OR 803P OF THE MICHIGAN VEHICLE**
 6 **CODE, 1949 PA 300, MCL 257.803A AND 257.803P.**

7 **(F)** ~~(b)~~ "Motor vehicle accident policy" means a policy
 8 providing the coverages required under section 3101(1).

9 **(G)** ~~(c)~~ "Ultimate loss" means the actual loss amounts that a
 10 member is obligated to pay and that are paid or payable by the
 11 member, and do not include claim expenses. An ultimate loss is
 12 incurred by the association on the date that the loss occurs.

13 Sec. 3107. (1) ~~Except as provided in subsection (2),~~ **SUBJECT**
 14 **TO THE EXCEPTIONS AND LIMITATIONS IN THIS CHAPTER,** personal
 15 protection insurance benefits are payable for the following:

16 (a) Allowable expenses consisting of ~~all~~ reasonable charges
 17 incurred for reasonably necessary products, services and
 18 accommodations for an injured person's care, recovery, or
 19 rehabilitation. Allowable expenses ~~within personal protection~~
 20 ~~insurance coverage shall~~ **DO** not include either of the following:

21 (i) Charges for a hospital room in excess of a reasonable and
 22 customary charge for semiprivate accommodations, ~~except if~~ **UNLESS**
 23 the injured person requires special or intensive care.

24 (ii) Funeral and burial expenses in excess of the amount set
 25 forth in the policy, which ~~shall~~ **MUST** not be less than \$1,750.00 or
 26 more than \$5,000.00.

27 (b) Work loss consisting of loss of income from work an

1 injured person would have performed during the first 3 years after
2 the date of the accident if he or she had not been injured. Work
3 loss does not include any loss after the date on which the injured
4 person dies. Because the benefits received from personal protection
5 insurance for loss of income are not taxable income, the benefits
6 payable for ~~such~~**THE** loss of income ~~shall~~**MUST** be reduced 15%
7 unless the claimant presents to the insurer in support of his or
8 her claim reasonable proof of a lower value of the income tax
9 advantage in his or her case, in which case the lower value ~~shall~~
10 ~~apply~~**MUST BE APPLIED**. For the period beginning October 1, 2012
11 through September 30, 2013, the benefits payable for work loss
12 sustained in a single 30-day period and the income earned by an
13 injured person for work during the same period together ~~shall~~**MUST**
14 not exceed \$5,189.00, which maximum ~~shall apply~~**MUST BE APPLIED** pro
15 rata to any lesser period of work loss. Beginning October 1, 2013,
16 the maximum ~~shall~~**MUST** be adjusted annually to reflect changes in
17 the cost of living under rules prescribed by the ~~commissioner~~
18 **DIRECTOR**, but any change in the maximum ~~shall apply~~**MUST BE APPLIED**
19 only to benefits arising out of accidents occurring ~~subsequent to~~
20 **AFTER** the date of change in the maximum.

21 (c) Expenses not exceeding \$20.00 per day, reasonably incurred
22 in obtaining ordinary and necessary services in lieu of those that,
23 if he or she had not been injured, an injured person would have
24 performed during the first 3 years after the date of the accident,
25 not for income but for the benefit of himself or herself or of his
26 or her dependent.

27 (2) Both of the following apply to personal protection

1 insurance benefits payable under subsection (1):

2 (a) A person who is 60 years of age or older and in the event
3 of an accidental bodily injury would not be eligible to receive
4 work loss benefits under subsection (1)(b) may waive coverage for
5 work loss benefits by signing a waiver on a form provided by the
6 insurer. An insurer shall offer a reduced premium rate to a person
7 who waives coverage under this ~~subsection~~ **SUBDIVISION** for work loss
8 benefits. Waiver of coverage for work loss benefits applies only to
9 work loss benefits payable to the person or persons who have signed
10 the waiver form.

11 (b) An insurer ~~shall~~ **IS** not ~~be~~ required to provide coverage
12 for the medical use of marihuana or for expenses related to the
13 medical use of marihuana.

14 **SEC. 3107C. (1) EXCEPT AS PROVIDED IN SECTION 3107D, AND**
15 **SUBJECT TO SUBSECTION (5), FOR AN INSURANCE POLICY THAT PROVIDES**
16 **THE SECURITY REQUIRED UNDER SECTION 3101(1) AND IS ISSUED OR**
17 **RENEWED AFTER 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY**
18 **ACT THAT ADDED THIS SECTION, THE PERSON NAMED OR TO BE NAMED IN THE**
19 **POLICY SHALL, IN A WAY REQUIRED UNDER SECTION 3107E AND ON A FORM**
20 **APPROVED BY THE DIRECTOR, SELECT 1 OF THE FOLLOWING COVERAGE LEVELS**
21 **FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION**
22 **3107(1) (A) :**

23 (A) A LIMIT PER PERSON PER LOSS OCCURRENCE, CONSISTING OF BOTH
24 OF THE FOLLOWING:

25 (i) A \$50,000.00 LIMIT FOR ANY PERSONAL PROTECTION INSURANCE
26 BENEFITS UNDER SECTION 3107(1) (A) .

27 (ii) AN ADDITIONAL \$200,000.00 FOR MEDICALLY NECESSARY

1 TREATMENT RENDERED AT AN ACUTE CARE UNIT OR TRAUMA CENTER OF A
2 HOSPITAL IMMEDIATELY AFTER THE ACCIDENTAL BODILY INJURY AND UNTIL
3 THE PATIENT IS STABLE.

4 (B) A LIMIT OF \$250,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE
5 FOR ANY PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION
6 3107(1) (A) .

7 (C) A LIMIT OF \$500,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE
8 FOR ANY PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION
9 3107(1) (A) .

10 (D) NO LIMIT FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER
11 SECTION 3107(1) (A) .

12 (2) THE FORM REQUIRED UNDER SUBSECTION (1) MUST DO ALL OF THE
13 FOLLOWING:

14 (A) STATE, IN A CONSPICUOUS MANNER, THE BENEFITS AND RISKS
15 ASSOCIATED WITH EACH COVERAGE OPTION.

16 (B) PROVIDE A WAY FOR THE PERSON TO MARK THE FORM TO
17 ACKNOWLEDGE THAT HE OR SHE HAS READ THE FORM AND UNDERSTANDS THE
18 OPTIONS AVAILABLE.

19 (C) ALLOW THE INSURED PERSON TO MARK THE FORM TO MAKE THE
20 SELECTION OF COVERAGE LEVEL UNDER SUBSECTION (1) .

21 (D) REQUIRE THE PERSON TO SIGN THE FORM.

22 (3) IF AN INSURANCE POLICY IS ISSUED OR RENEWED AS DESCRIBED
23 IN SUBSECTION (1) AND THE PERSON NAMED IN THE POLICY HAS NOT MADE
24 AN EFFECTIVE SELECTION UNDER SUBSECTION (1) BUT A PREMIUM OR
25 PORTION OF A PREMIUM HAS BEEN PAID, THERE IS A REBUTTABLE
26 PRESUMPTION THAT THE AMOUNT OF THE PREMIUM ACCURATELY REFLECTS THE
27 LEVEL OF COVERAGE APPLICABLE TO THE POLICY UNDER SUBSECTION (1) .

1 (4) IF AN INSURANCE POLICY IS ISSUED OR RENEWED AS DESCRIBED
2 IN SUBSECTION (1), THE PERSON NAMED IN THE POLICY HAS NOT MADE AN
3 EFFECTIVE SELECTION UNDER SUBSECTION (1), AND A PRESUMPTION UNDER
4 SUBSECTION (3) DOES NOT APPLY, THE LIMIT UNDER SUBSECTION (1) (A)
5 APPLIES TO THE POLICY.

6 (5) THE COVERAGE LEVEL SELECTED UNDER SUBSECTION (1) APPLIES
7 TO THE PERSON NAMED IN THE POLICY, THE PERSON'S SPOUSE, AND A
8 RELATIVE OF EITHER DOMICILED IN THE SAME HOUSEHOLD, AND ANY OTHER
9 PERSON WITH A RIGHT TO CLAIM PERSONAL PROTECTION INSURANCE BENEFITS
10 UNDER THE POLICY.

11 (6) IF BENEFITS ARE PAYABLE UNDER SECTION 3107(1) (A) UNDER 2
12 OR MORE INSURANCE POLICIES, THE BENEFITS ARE ONLY PAYABLE UP TO AN
13 AGGREGATE COVERAGE LIMIT FOR BOTH OR ALL OF THE POLICIES THAT
14 EQUALS THE HIGHEST AVAILABLE COVERAGE LIMIT UNDER ANY 1 OF THE
15 POLICIES.

16 (7) AN INSURER SHALL OFFER, FOR A POLICY THAT PROVIDES THE
17 SECURITY REQUIRED UNDER SECTION 3101(1) TO WHICH A LIMIT UNDER
18 SUBSECTION (1) (A) TO (C) APPLIES, A RIDER THAT WILL PROVIDE
19 COVERAGE FOR ATTENDANT CARE IN EXCESS OF THE APPLICABLE LIMIT.

20 SEC. 3107D. (1) FOR AN INSURANCE POLICY THAT PROVIDES THE
21 SECURITY REQUIRED UNDER SECTION 3101(1) AND IS ISSUED OR RENEWED
22 AFTER 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT
23 ADDED THIS SECTION, THE PERSON NAMED OR TO BE NAMED IN THE POLICY
24 WHO IS A QUALIFIED PERSON MAY, IN A WAY REQUIRED UNDER SECTION
25 3107E AND ON A FORM APPROVED BY THE DIRECTOR, ELECT TO NOT MAINTAIN
26 COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER
27 SECTION 3107(1) (A). THE PERSON NAMED IN THE POLICY SHALL, WHEN

1 REQUESTING ISSUANCE OR RENEWAL OF THE POLICY, PROVIDE TO THE
2 INSURER A DOCUMENT FROM THE PERSON THAT PROVIDES THE QUALIFIED
3 HEALTH COVERAGE STATING THAT THE PERSON NAMED IN THE POLICY HAS
4 QUALIFIED HEALTH COVERAGE.

5 (2) THE FORM REQUIRED UNDER SUBSECTION (1) MUST DO ALL OF THE
6 FOLLOWING:

7 (A) REQUIRE THE PERSON NAMED OR TO BE NAMED IN THE POLICY TO
8 MARK THE FORM TO CERTIFY WHETHER HE OR SHE IS A QUALIFIED PERSON.

9 (B) DISCLOSE IN A CONSPICUOUS MANNER THAT A QUALIFIED PERSON
10 IS NOT OBLIGATED TO BUT MAY PURCHASE COVERAGE FOR PERSONAL
11 PROTECTION INSURANCE COVERAGE BENEFITS PAYABLE UNDER SECTION
12 3107(1) (A) .

13 (C) STATE, IN A CONSPICUOUS MANNER, THE COVERAGE LEVELS
14 AVAILABLE UNDER SECTION 3107C.

15 (D) STATE, IN A CONSPICUOUS MANNER, THE BENEFITS AND RISKS
16 ASSOCIATED WITH NOT MAINTAINING THE COVERAGE.

17 (E) STATE, IN A CONSPICUOUS MANNER, THAT IF DURING THE TERM OF
18 THE POLICY THE PERSON CEASES TO HAVE QUALIFIED HEALTH INSURANCE,
19 THE PERSON HAS 14 DAYS TO NOTIFY THE INSURER OR THE PERSON WILL BE
20 EXCLUDED FROM ALL PERSONAL PROTECTION INSURANCE COVERAGE BENEFITS
21 UNDER SECTION 3107(1) (A) .

22 (F) PROVIDE A WAY FOR THE PERSON NAMED OR TO BE NAMED IN THE
23 POLICY TO MARK THE FORM TO ACKNOWLEDGE THAT HE OR SHE HAS READ THE
24 FORM AND UNDERSTANDS IT AND THAT HE OR SHE UNDERSTANDS THE OPTIONS
25 AVAILABLE TO HIM OR HER.

26 (G) IF THE PERSON NAMED OR TO BE NAMED IN THE POLICY IS A
27 QUALIFIED PERSON, PROVIDE THE PERSON A WAY TO MARK THE FORM TO

1 ELECT NOT TO MAINTAIN THE COVERAGE.

2 (H) REQUIRE THE PERSON TO SIGN THE FORM.

3 (3) IF AN INSURANCE POLICY IS ISSUED OR RENEWED AS DESCRIBED
4 IN SUBSECTION (1) AND THE PERSON NAMED IN THE POLICY HAS NOT MADE
5 AN EFFECTIVE ELECTION UNDER SUBSECTION (1) BUT A PREMIUM OR PORTION
6 OF A PREMIUM HAS BEEN PAID, THERE IS A REBUTTABLE PRESUMPTION THAT
7 THE AMOUNT OF THE PREMIUM ACCURATELY REFLECTS WHETHER THE PERSON
8 ELECTED TO MAINTAIN COVERAGE FOR PERSONAL PROTECTION BENEFITS UNDER
9 SECTION 3107(1)(A).

10 (4) IF AN INSURANCE POLICY IS ISSUED OR RENEWED AS DESCRIBED
11 IN SUBSECTION (1), THE PERSON NAMED IN THE POLICY HAS NOT MADE AN
12 EFFECTIVE ELECTION UNDER SUBSECTION (1), AND A PRESUMPTION UNDER
13 SUBSECTION (3) DOES NOT APPLY, THE POLICY IS CONSIDERED TO PROVIDE
14 PERSONAL PROTECTION BENEFITS UNDER SECTION 3107(1)(A).

15 (5) AN ELECTION UNDER THIS SECTION APPLIES TO THE PERSON NAMED
16 IN THE POLICY, THE PERSON'S SPOUSE, A RELATIVE OF EITHER DOMICILED
17 IN THE SAME HOUSEHOLD, AND ANY OTHER PERSON WHO WOULD HAVE HAD A
18 RIGHT TO CLAIM PERSONAL PROTECTION INSURANCE BENEFITS UNDER THE
19 POLICY BUT FOR THE ELECTION.

20 (6) IF A PERSON NAMED IN AN INSURANCE POLICY UNDER WHICH
21 COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER
22 SECTION 3107(1)(A) ARE NOT MAINTAINED UNDER THIS SECTION CEASES,
23 DURING THE TERM OF THE POLICY, TO BE COVERED UNDER QUALIFIED HEALTH
24 COVERAGE, THE PERSON SHALL, WITHIN 14 DAYS, NOTIFY THE INSURER THAT
25 THE PERSON IS NO LONGER A QUALIFIED PERSON. ALL OF THE FOLLOWING
26 APPLY UNDER THIS SUBSECTION:

27 (A) DURING THE 14-DAY PERIOD, IF A PERSON TO WHOM THE ELECTION

1 UNDER THIS SECTION APPLIES AS DESCRIBED IN SUBSECTION (5) SUFFERS
2 ACCIDENTAL BODILY INJURY ARISING FROM A MOTOR VEHICLE ACCIDENT, THE
3 PERSON IS ENTITLED TO CLAIM BENEFITS UNDER THE ASSIGNED CLAIMS
4 PLAN.

5 (B) IF THE PERSON NAMED IN THE INSURANCE POLICY NOTIFIES THE
6 INSURER WITHIN THE 14-DAY PERIOD, THE PERSON SHALL OBTAIN INSURANCE
7 THAT PROVIDES THE SECURITY REQUIRED UNDER SECTION 3101(1) THAT
8 INCLUDES THE COVERAGE THAT WAS NOT MAINTAINED UNDER THIS SECTION.

9 (C) IF THE PERSON NAMED IN THE INSURANCE POLICY DOES NOT
10 NOTIFY THE INSURER WITHIN THE 14-DAY PERIOD AND A PERSON TO WHOM
11 THE ELECTION UNDER THIS SECTION APPLIES AS DESCRIBED IN SUBSECTION
12 (5) SUFFERS ACCIDENTAL BODILY INJURY ARISING FROM A MOTOR VEHICLE
13 ACCIDENT, UNLESS THE INJURED PERSON IS ENTITLED TO COVERAGE UNDER
14 SOME OTHER POLICY, THE INJURED PERSON IS NOT ENTITLED TO BE PAID
15 PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1) (A) FOR
16 THE INJURY.

17 (7) AS USED IN THIS SECTION:

18 (A) "QUALIFIED HEALTH COVERAGE" MEANS EITHER OF THE FOLLOWING:

19 (i) OTHER HEALTH OR ACCIDENT COVERAGE THAT DOES NOT EXCLUDE OR
20 LIMIT COVERAGE FOR INJURIES RELATED TO MOTOR VEHICLE ACCIDENTS.

21 (ii) COVERAGE UNDER THE FEDERAL MEDICARE PROGRAM ESTABLISHED
22 UNDER SUBCHAPTER XVIII OF THE SOCIAL SECURITY ACT, 42 USC 1395 TO
23 1395III.

24 (iii) MEDICAID COVERAGE UNDER A PROGRAM FOR MEDICAL ASSISTANCE
25 ESTABLISHED UNDER SUBCHAPTER XIX OF THE SOCIAL SECURITY ACT, 42 USC
26 1396 TO 1396W-5.

27 (B) "QUALIFIED PERSON" MEANS A PERSON WHO HAS QUALIFIED HEALTH

1 COVERAGE.

2 SEC. 3107E. (1) A FORM UNDER SECTION 3107C OR 3107D MUST BE
3 DELIVERED TO THE PERSON INSURED OR TO BE INSURED UNDER THE POLICY
4 USING 1 OF THE FOLLOWING METHODS:

5 (A) PERSONAL DELIVERY.

6 (B) FIRST-CLASS MAIL, POSTAGE PREPAID.

7 (C) ELECTRONIC MEANS IN ACCORDANCE WITH SECTION 2266.

8 (2) A PERSON MUST MAKE A SELECTION UNDER SECTION 3107C OR AN
9 ELECTION UNDER SECTION 3107D IN 1 OF THE FOLLOWING WAYS:

10 (A) MARKING AND SIGNING A PAPER FORM.

11 (B) GIVING VERBAL INSTRUCTIONS, IN PERSON OR TELEPHONICALLY,
12 THAT THE FORM BE MARKED AND SIGNED IN BEHALF OF THE PERSON.

13 (C) ELECTRONICALLY MARKING THE FORM AND PROVIDING AN
14 ELECTRONIC SIGNATURE AS PROVIDED IN THE UNIFORM ELECTRONIC
15 TRANSACTIONS ACT, 2000 PA 305, MCL 450.831 TO 450.849.

16 Sec. 3111. Personal protection insurance benefits are payable
17 for accidental bodily injury suffered in an accident occurring out
18 of this state, if the accident occurs within the United States, its
19 territories and possessions, or ~~in~~ Canada, and the person whose
20 injury is the basis of the claim was at the time of the accident a
21 named insured under a personal protection insurance policy, ~~his~~ **THE**
22 spouse **OF A NAMED INSURED**, a relative of either domiciled in the
23 same household, or an occupant of a vehicle involved in the
24 accident, ~~whose~~ **IF THE OCCUPANT WAS A RESIDENT OF THIS STATE OR IF**
25 **THE** owner or registrant **OF THE VEHICLE** was insured under a personal
26 protection insurance policy or ~~has~~ provided security approved by
27 the secretary of state under ~~subsection (4) of section~~

1 ~~3101-3101 (4)~~ .

2 Sec. 3112. Personal protection insurance benefits are payable
3 to or for the benefit of an injured person or, in case of his **OR**
4 **HER** death, to or for the benefit of his **OR HER** dependents. **A HEALTH**
5 **CARE PROVIDER LISTED IN SECTION 3157 MAY MAKE A CLAIM AND ASSERT A**
6 **DIRECT CAUSE OF ACTION AGAINST AN INSURER, OR UNDER THE ASSIGNED**
7 **CLAIMS PLAN UNDER SECTIONS 3171 TO 3175, TO RECOVER OVERDUE**
8 **BENEFITS PAYABLE FOR CHARGES FOR PRODUCTS, SERVICES, OR**
9 **ACCOMMODATIONS PROVIDED TO AN INJURED PERSON.** Payment by an insurer
10 in good faith of personal protection insurance benefits, to or for
11 the benefit of a person who it believes is entitled to the
12 benefits, discharges the insurer's liability to the extent of the
13 payments unless the insurer has been notified in writing of the
14 claim of some other person. If there is doubt about the proper
15 person to receive the benefits or the proper apportionment among
16 the persons entitled ~~thereto,~~ **TO THE BENEFITS**, the insurer, the
17 claimant, or any other interested person may apply to the circuit
18 court for an appropriate order. The court may designate the payees
19 and make an equitable apportionment, taking into account the
20 relationship of the payees to the injured person and other factors
21 as the court considers appropriate. In the absence of a court order
22 directing otherwise the insurer may pay:

23 (a) To the dependents of the injured person, the personal
24 protection insurance benefits accrued before his **OR HER** death
25 without appointment of an administrator or executor.

26 (b) To the surviving spouse, the personal protection insurance
27 benefits due any dependent children living with the spouse.

1 Sec. 3113. A person is not entitled to be paid personal
2 protection insurance benefits for accidental bodily injury if at
3 the time of the accident any of the following circumstances
4 existed:

5 (a) The person was willingly operating or willingly using a
6 motor vehicle or motorcycle that was taken unlawfully, and the
7 person knew or should have known that the motor vehicle or
8 motorcycle was taken unlawfully.

9 (b) The person was the owner or registrant of a motor vehicle
10 or motorcycle involved in the accident with respect to which the
11 security required by section 3101 or 3103 was not in effect.

12 (c) The person was not a resident of this state. ~~7 was an~~
13 ~~occupant of a motor vehicle or motorcycle not registered in this~~
14 ~~state, and the motor vehicle or motorcycle was not insured by an~~
15 ~~insurer that has filed a certification in compliance with section~~
16 ~~3163.~~

17 (d) The person was operating a motor vehicle or motorcycle as
18 to which he or she was named as an excluded operator as allowed
19 under section 3009(2).

20 (e) The person was the owner or operator of a motor vehicle
21 for which coverage was excluded under a policy exclusion authorized
22 under section 3017.

23 Sec. 3114. (1) Except as provided in subsections (2), (3), and
24 (5), a personal protection insurance policy described in section
25 3101(1) applies to accidental bodily injury to the person named in
26 the policy, the person's spouse, and a relative of either domiciled
27 in the same household, if the injury arises from a motor vehicle

1 accident. A personal injury insurance policy described in section
2 3103(2) applies to accidental bodily injury to the person named in
3 the policy, the person's spouse, and a relative of either domiciled
4 in the same household, if the injury arises from a motorcycle
5 accident. If personal protection insurance benefits or personal
6 injury benefits described in section 3103(2) are payable to or for
7 the benefit of an injured person under his or her own policy and
8 would also be payable under the policy of his or her spouse,
9 relative, or relative's spouse, the injured person's insurer shall
10 pay all of the benefits and is not entitled to recoupment from the
11 other insurer.

12 (2) A person ~~suffering~~ **WHO SUFFERS** accidental bodily injury
13 while an operator or a passenger of a motor vehicle operated in the
14 business of transporting passengers shall receive the personal
15 protection insurance benefits to which the person is entitled from
16 the insurer of the motor vehicle. This subsection does not apply to
17 a passenger in any of the following, unless the passenger is not
18 entitled to personal protection insurance benefits under any other
19 policy:

20 (a) A school bus, as defined by the department of education,
21 providing transportation not prohibited by law.

22 (b) A bus operated by a common carrier of passengers certified
23 by the department of transportation.

24 (c) A bus operating under a government sponsored
25 transportation program.

26 (d) A bus operated by or providing service to a nonprofit
27 organization.

1 (e) A taxicab insured as prescribed in section 3101 or 3102.

2 (f) A bus operated by a canoe or other watercraft, bicycle, or
3 horse livery used only to transport passengers to or from a
4 destination point.

5 (g) A transportation network company vehicle.

6 **(H) A MOTOR VEHICLE INSURED UNDER A POLICY FOR WHICH THE**
7 **PERSON NAMED IN THE POLICY HAS ELECTED TO NOT MAINTAIN COVERAGE FOR**
8 **PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107D.**

9 (3) An employee, his or her spouse, or a relative of either
10 domiciled in the same household, who suffers accidental bodily
11 injury while an occupant of a motor vehicle owned or registered by
12 the employer, shall receive personal protection insurance benefits
13 to which the employee is entitled from the insurer of the furnished
14 vehicle. **THIS SUBSECTION DOES NOT APPLY TO A MOTOR VEHICLE INSURED**
15 **UNDER A POLICY FOR WHICH THE PERSON NAMED IN THE POLICY HAS ELECTED**
16 **TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS**
17 **UNDER SECTION 3107D.**

18 (4) Except as provided in subsections ~~(1) to~~ **(2) AND** (3), a
19 person ~~suffering~~ **WHO SUFFERS** accidental bodily injury arising from
20 a motor vehicle accident while an occupant of a motor vehicle **WHO**
21 **IS NOT COVERED UNDER A PERSONAL PROTECTION INSURANCE POLICY AS**
22 **PROVIDED IN SUBSECTION (1)** shall claim personal protection
23 insurance benefits ~~from insurers in the following order of~~
24 ~~priority:~~

25 ~~— (a) The insurer of the owner or registrant of the vehicle~~
26 ~~occupied.~~

27 ~~— (b) The insurer of the operator of the vehicle occupied.~~ **UNDER**

1 **THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO 3175.**

2 (5) ~~A~~**SUBJECT TO SUBSECTIONS (6) AND (7),** A person suffering
3 **WHO SUFFERS** accidental bodily injury arising from a motor vehicle
4 accident that shows evidence of the involvement of a motor vehicle
5 while an operator or passenger of a motorcycle shall claim personal
6 protection insurance benefits from insurers in the following order
7 of priority:

8 (a) The insurer of the owner or registrant of the motor
9 vehicle involved in the accident.

10 (b) The insurer of the operator of the motor vehicle involved
11 in the accident.

12 (c) The motor vehicle insurer of the operator of the
13 motorcycle involved in the accident.

14 (d) The motor vehicle insurer of the owner or registrant of
15 the motorcycle involved in the accident.

16 **(6) IF AN APPLICABLE INSURANCE POLICY IN AN ORDER OF PRIORITY**
17 **UNDER SUBSECTION (5) IS A POLICY FOR WHICH THE PERSON NAMED IN THE**
18 **POLICY HAS ELECTED TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION**
19 **INSURANCE BENEFITS UNDER SECTION 3107D, THE INJURED PERSON SHALL**
20 **CLAIM BENEFITS ONLY UNDER OTHER POLICIES, SUBJECT TO SUBSECTION**
21 **(7), IN THE SAME ORDER OF PRIORITY FOR WHICH NO SUCH ELECTION HAS**
22 **BEEN MADE. IF THERE ARE NO OTHER POLICIES FOR WHICH NO SUCH**
23 **ELECTION HAS BEEN MADE, THE INJURED PERSON SHALL CLAIM BENEFITS**
24 **UNDER THE NEXT ORDER OF PRIORITY OR, IF THERE IS NOT A NEXT ORDER**
25 **OF PRIORITY, UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO**
26 **3175.**

27 **(7) IF PERSONAL PROTECTION INSURANCE BENEFITS ARE PAYABLE**

1 UNDER SUBSECTION (5) UNDER 2 OR MORE INSURANCE POLICIES IN THE SAME
 2 ORDER OF PRIORITY, THE BENEFITS ARE ONLY PAYABLE UP TO AN AGGREGATE
 3 COVERAGE LIMIT FOR BOTH OR ALL OF THE POLICIES THAT EQUALS THE
 4 HIGHEST AVAILABLE COVERAGE LIMIT UNDER ANY 1 OF THE POLICIES.

5 (8) ~~(6) If~~ SUBJECT TO SUBSECTIONS (6) AND (7), IF 2 or more
 6 insurers are in the same order of priority to provide personal
 7 protection insurance benefits under subsection (5), an insurer
 8 ~~paying~~ THAT PAYS benefits due is entitled to partial recoupment
 9 from the other insurers in the same order of priority, and a
 10 reasonable amount of partial recoupment of the expense of
 11 processing the claim, in order to accomplish equitable distribution
 12 of the loss among all of the insurers.

13 (9) ~~(7) As used in this section:~~

14 (a) "Personal vehicle", ~~"prearranged ride", and~~
 15 "transportation network company digital network", AND
 16 "TRANSPORTATION NETWORK COMPANY PREARRANGED RIDE" mean those terms
 17 as defined in section 2 of the limousine, taxicab, and
 18 transportation network company act, 2016 PA 345, MCL 257.2102.

19 (b) "Transportation network company vehicle" means a personal
 20 vehicle while the driver is logged on to the transportation network
 21 company digital network or while the driver is engaged in a
 22 TRANSPORTATION NETWORK COMPANY prearranged ride.

23 Sec. 3115. ~~(1) Except as provided in subsection (1) of section~~
 24 ~~3114,~~ 3114 (1), a person ~~suffering~~ WHO SUFFERS accidental bodily
 25 injury while not an occupant of a motor vehicle shall claim
 26 personal protection insurance benefits ~~from insurers in the~~
 27 ~~following order of priority:~~

1 ~~———— (a) Insurers of owners or registrants of motor vehicles~~
 2 ~~involved in the accident.~~

3 ~~———— (b) Insurers of operators of motor vehicles involved in the~~
 4 ~~accident.~~ **UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO**
 5 **3175.**

6 ~~———— (2) When 2 or more insurers are in the same order of priority~~
 7 ~~to provide personal protection insurance benefits an insurer paying~~
 8 ~~benefits due is entitled to partial recoupment from the other~~
 9 ~~insurers in the same order of priority, together with a reasonable~~
 10 ~~amount of partial recoupment of the expense of processing the~~
 11 ~~claim, in order to accomplish equitable distribution of the loss~~
 12 ~~among such insurers.~~

13 ~~———— (3) A limit upon the amount of personal protection insurance~~
 14 ~~benefits available because of accidental bodily injury to 1 person~~
 15 ~~arising from 1 motor vehicle accident shall be determined without~~
 16 ~~regard to the number of policies applicable to the accident.~~

17 Sec. 3135. (1) A person remains subject to tort liability for
 18 noneconomic loss caused by his or her ownership, maintenance, or
 19 use of a motor vehicle only if the injured person has suffered
 20 death, serious impairment of body function, or permanent serious
 21 disfigurement.

22 (2) For a cause of action for damages ~~pursuant to~~ **UNDER**
 23 ~~subsection (1) filed on or after July 26, 1996, OR (3) (D),~~ all of
 24 the following apply:

25 (a) The issues of whether the injured person has suffered
 26 serious impairment of body function or permanent serious
 27 disfigurement are questions of law for the court if the court finds

1 either of the following:

2 (i) There is no factual dispute concerning the nature and
3 extent of the person's injuries.

4 (ii) There is a factual dispute concerning the nature and
5 extent of the person's injuries, but the dispute is not material to
6 the determination whether the person has suffered a serious
7 impairment of body function or permanent serious disfigurement.
8 However, for a closed-head injury, a question of fact for the jury
9 is created if a licensed allopathic or osteopathic physician who
10 regularly diagnoses or treats closed-head injuries testifies under
11 oath that there may be a serious neurological injury.

12 (b) Damages ~~shall~~**MUST** be assessed on the basis of comparative
13 fault, except that damages ~~shall~~**MUST** not be assessed in favor of a
14 party who is more than 50% at fault.

15 (c) Damages ~~shall~~**MUST** not be assessed in favor of a party who
16 was operating his or her own vehicle at the time the injury
17 occurred and did not have in effect for that motor vehicle the
18 security required by section 3101 at the time the injury occurred.

19 (3) Notwithstanding any other provision of law, tort liability
20 arising from the ownership, maintenance, or use within this state
21 of a motor vehicle with respect to which the security required by
22 section 3101 was in effect is abolished except as to:

23 (a) Intentionally caused harm to persons or property. Even
24 though a person knows that harm to persons or property is
25 substantially certain to be caused by his or her act or omission,
26 the person does not cause or suffer that harm intentionally if he
27 or she acts or refrains from acting for the purpose of averting

1 injury to any person, including himself or herself, or for the
2 purpose of averting damage to tangible property.

3 (b) Damages for noneconomic loss as provided and limited in
4 subsections (1) and (2).

5 (c) Damages for allowable expenses, work loss, and survivor's
6 loss as defined in sections 3107 to 3110 in excess of **ANY**
7 **APPLICABLE LIMIT UNDER SECTION 3107C OR** the daily, monthly, and 3-
8 year limitations contained in those sections, **OR WITHOUT LIMIT FOR**
9 **ALLOWABLE EXPENSES IF AN ELECTION TO NOT MAINTAIN THAT COVERAGE WAS**
10 **MADE UNDER SECTION 3107D.** The party liable for damages is entitled
11 to an exemption reducing his or her liability by the amount of
12 taxes that would have been payable on account of income the injured
13 person would have received if he or she had not been injured.

14 (d) Damages for economic loss by a nonresident. ~~in excess of~~
15 ~~the personal protection insurance benefits provided under section~~
16 ~~3163(4). Damages under this subdivision are not recoverable to the~~
17 ~~extent that benefits covering the same loss are available from~~
18 ~~other sources, regardless of the nature or number of benefit~~
19 ~~sources available and regardless of the nature or form of the~~
20 ~~benefits.~~ **HOWEVER, TO RECOVER UNDER THIS SUBDIVISION, THE**
21 **NONRESIDENT MUST HAVE SUFFERED DEATH, SERIOUS IMPAIRMENT OF BODY**
22 **FUNCTION, OR PERMANENT SERIOUS DISFIGUREMENT.**

23 (e) Damages up to \$1,000.00 to a motor vehicle, to the extent
24 that the damages are not covered by insurance. An action for
25 damages under this subdivision ~~shall~~ **MUST** be conducted as provided
26 in subsection (4).

27 (4) All of the following apply to an action for damages under

1 subsection (3) (e) :

2 (a) Damages ~~shall~~**MUST** be assessed on the basis of comparative
3 fault, except that damages ~~shall~~**MUST** not be assessed in favor of a
4 party who is more than 50% at fault.

5 (b) Liability is not a component of residual liability, as
6 prescribed in section 3131, for which maintenance of security is
7 required by this act.

8 (c) The action ~~shall~~**MUST** be commenced, whenever legally
9 possible, in the small claims division of the district court or the
10 municipal court. If the defendant or plaintiff removes the action
11 to a higher court and does not prevail, the judge may assess costs.

12 (d) A decision of the court is not res judicata in any
13 proceeding to determine any other liability arising from the same
14 circumstances that gave rise to the action.

15 (e) Damages ~~shall~~**MUST** not be assessed if the damaged motor
16 vehicle was being operated at the time of the damage without the
17 security required by section 3101.

18 (5) As used in this section, "serious impairment of body
19 function" means an objectively manifested impairment of an
20 important body function that affects the person's general ability
21 to lead his or her normal life.

22 Sec. 3142. (1) Personal protection insurance benefits are
23 payable as loss accrues.

24 (2) ~~Personal~~**SUBJECT TO SUBSECTION (3), PERSONAL** protection
25 insurance benefits are overdue if not paid within 30 days after an
26 insurer receives reasonable proof of the fact and of the amount of
27 loss sustained. ~~If~~**SUBJECT TO SUBSECTION (3), IF** reasonable proof

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1 is not supplied as to the entire claim, the amount supported by
 2 reasonable proof is overdue if not paid within 30 days after the
 3 proof is received by the insurer. ~~Any~~ **SUBJECT TO SUBSECTION (3),**
 4 **ANY** part of the remainder of the claim that is later supported by
 5 reasonable proof is overdue if not paid within 30 days after the
 6 proof is received by the insurer. For the purpose of calculating
 7 the extent to which benefits are overdue, payment ~~shall~~ **MUST** be
 8 treated as made on the date a draft or other valid instrument was
 9 placed in the United States mail in a properly addressed, postpaid
 10 envelope, or, if not so posted, on the date of delivery.

11 **(3) FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION**
 12 **3107(1) (A), PAYMENT FOR A PRODUCT, SERVICE, OR ACCOMMODATIONS IS**
 13 **NOT OVERDUE IF A BILL FOR THE PRODUCT, SERVICE, OR ACCOMMODATIONS**
 14 **IS NOT PROVIDED TO THE INSURER WITHIN 90 DAYS AFTER THE PRODUCT,**
 15 **SERVICE, OR ACCOMMODATIONS IS PROVIDED.**

16 **(4)** ~~(3)~~—An overdue payment bears simple interest at the rate
 17 of 12% per annum.

[Sec. 3145. (1) An action for recovery of personal protection insurance
 benefits payable under this chapter for accidental bodily injury may not
 be commenced later than 1 year after the date of the accident causing the
 injury unless written notice of injury as provided herein has been given
 to the insurer within 1 year after the accident or unless the insurer has
 previously made a payment of personal protection insurance benefits for
 the injury. ~~If~~ **SUBJECT TO SUBSECTION (2), IF** the notice has been given or
 a payment has been made, the action may be commenced at any time within 1
 year after the most recent allowable expense, work loss, or survivor's
 loss has been incurred. However, the claimant may not recover benefits
 for any portion of the loss incurred more than 1 year before the date on
 which the action was commenced. The notice of injury required by this
 subsection may be given to the insurer or any of its authorized agents by
 a person claiming to be entitled to benefits ~~therefor~~ **BECAUSE OF THE**
INJURY, or by someone in ~~his~~ **THE PERSON'S BEHALF**. The notice ~~shall~~ **MUST**
 give the name and address of the claimant and indicate in ordinary
 language the name of the person injured and the time, place, and nature
 of ~~his~~ **THE PERSON'S** injury.

(2) THE LIMITATION UNDER SUBSECTION (1) ON RECOVERY OF BENEFITS
INCURRED MORE THAN 1 YEAR BEFORE AN ACTION IS COMMENCED IS TOLLED FROM
THE DATE THE PERSON CLAIMING THE BENEFITS MAKES A SPECIFIC CLAIM FOR THE
BENEFITS UNTIL THE DATE THE INSURER FORMALLY DENIES THE CLAIM. THIS
SUBSECTION DOES NOT APPLY IF THE PERSON CLAIMING THE BENEFITS FAILS TO
PURSUE THE CLAIM WITH REASONABLE DILIGENCE.

(3) ~~(2)~~—An action for recovery of property protection insurance
 benefits ~~shall~~ **MAY** not be commenced later than 1 year after the
 accident.]

18 Sec. 3148. (1) ~~An~~ **SUBJECT TO SUBSECTIONS (3), (6), AND (7), AN**
 19 ~~attorney is entitled to~~ **MAY BE AWARDED** a reasonable fee for
 20 advising and representing a claimant in an action for personal or
 21 property protection insurance benefits ~~which~~ **THAT** are overdue. The
 22 attorney's fee ~~shall be~~ **IS** a charge against the insurer in addition
 23 to the benefits recovered, if the court finds that the insurer
 24 unreasonably refused to pay the claim or unreasonably delayed in
 25 making proper payment. **AN ATTORNEY ADVISING OR REPRESENTING AN**
 26 **INJURED PERSON CONCERNING A CLAIM FOR PAYMENT OF PERSONAL**

27 **PROTECTION INSURANCE BENEFITS FROM AN INSURER SHALL NOT CLAIM,**

1 FILE, OR SERVE A LIEN FOR PAYMENT OF A FEE OR FEES UNTIL ALL OF THE
2 FOLLOWING APPLY:

3 (A) A PAYMENT FOR THE CLAIM IS AUTHORIZED UNDER THIS CHAPTER.

4 (B) A PAYMENT FOR THE CLAIM IS OVERDUE UNDER THIS CHAPTER.

5 (C) THE ATTORNEY NOTIFIES THE RESIDENT AGENT OF THE INSURER IN
6 WRITING THAT THE PAYMENT FOR THE CLAIM IS OVERDUE UNDER THIS
7 CHAPTER.

8 (D) WITHIN 30 DAYS AFTER THE INSURER RECEIVES THE NOTICE UNDER
9 SUBDIVISION (C), THE INSURER DOES NOT EITHER PROVIDE REASONABLE
10 PROOF THAT THE INSURER IS NOT RESPONSIBLE FOR THE PAYMENT OR TAKE
11 REMEDIAL ACTION.

12 (2) IF AN ATTORNEY CLAIMS, FILES, SERVES, OR ENFORCES A LIEN
13 IN A MANNER PROHIBITED BY SUBSECTION (1), AN INSURER OR OTHER
14 PERSON AGGRIEVED BY THE LIEN IS ENTITLED TO COURT COSTS AND
15 REASONABLE ATTORNEY FEES RELATED TO OPPOSITION OF THE IMPOSITION OF
16 THE LIEN.

17 (3) IF AN ACTION INVOLVES A NUMBER OF CLAIMS, THE COURT SHALL
18 REDUCE AN ATTORNEY'S FEE UNDER SUBSECTION (1) IN THE PROPORTION
19 THAT THE NUMBER OF CLAIMS THAT WERE NOT DETERMINED TO HAVE BEEN
20 UNREASONABLY REFUSED OR DELAYED BEARS TO THE TOTAL NUMBER OF CLAIMS
21 PRESENTED IN THE ACTION.

22 (4) ~~(2) An~~ A COURT MAY AWARD AN insurer may be allowed by a
23 court an award of a reasonable sum AMOUNT against a claimant as an
24 attorney's ATTORNEY fee for the insurer's attorney in defense
25 DEFENDING against a ANY OF THE FOLLOWING:

26 (A) A claim that was in some respect fraudulent or so
27 excessive as to have no reasonable foundation.

1 (B) A CLAIM FOR BENEFITS FOR A TREATMENT, PRODUCT, SERVICE,
2 REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION THAT WAS NOT
3 MEDICALLY NECESSARY OR THAT WAS FOR AN EXCESSIVE AMOUNT.

4 (C) A CLAIM FOR WHICH THE CLIENT WAS SOLICITED BY THE ATTORNEY
5 IN VIOLATION OF THE LAW OF THIS STATE OR THE MICHIGAN RULES OF
6 PROFESSIONAL CONDUCT.

7 (5) To the extent that personal or property protection
8 insurance benefits are then due or thereafter come due to the
9 claimant because of loss resulting from the injury on which the
10 claim is based, ~~such a~~ **AN ATTORNEY** fee **AWARDED IN FAVOR OF THE**
11 **INSURER** may be ~~treated~~ **TAKEN** as an offset against ~~such~~ **THE**
12 benefits. ~~;~~ ~~also,~~ ~~judgment~~ **JUDGMENT** may **ALSO** be entered against the
13 claimant for any amount of ~~a~~ **AN ATTORNEY** fee awarded ~~against him~~
14 ~~and~~ **THAT IS** not offset ~~in this way~~ **AGAINST BENEFITS** or otherwise
15 paid.

16 (6) FOR A DISPUTE OVER PAYMENT FOR ALLOWABLE EXPENSES UNDER
17 SECTION 3107(1) (A) FOR ATTENDANT CARE OR NURSING SERVICES, ATTORNEY
18 FEES MAY BE AWARDED IN RELATION TO EXPENSES RECOVERED FOR THE 12
19 MONTHS PRECEDING THE DATE THE INSURER IS NOTIFIED OF THE DISPUTE.
20 ATTORNEY FEES MUST NOT BE AWARDED IN RELATION TO EXPENSES PAID
21 AFTER THE DATE THE INSURER IS NOTIFIED OF THE DISPUTE, INCLUDING
22 ANY FUTURE PAYMENTS ORDERED AFTER THE JUDGMENT IS ENTERED.

23 (7) A COURT SHALL NOT AWARD A FEE TO AN ATTORNEY FOR ADVISING
24 OR REPRESENTING A CLAIMANT IN AN ACTION FOR PERSONAL OR PROPERTY
25 PROTECTION INSURANCE BENEFITS FOR A TREATMENT, PRODUCT, SERVICE,
26 REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION PROVIDED TO
27 THE CLAIMANT IF THE ATTORNEY OR A RELATED PERSON OF THE ATTORNEY

1 HAS, OR HAD AT THE TIME THE TREATMENT, PRODUCT, SERVICE,
 2 REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION WAS
 3 PROVIDED, A DIRECT OR INDIRECT FINANCIAL INTEREST IN THE PERSON
 4 THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE, REHABILITATIVE
 5 OCCUPATIONAL TRAINING, OR ACCOMMODATION. FOR PURPOSES OF THIS
 6 SUBSECTION, A DIRECT OR INDIRECT FINANCIAL INTEREST EXISTS IF THE
 7 PERSON THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE,
 8 REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION MAKES A
 9 DIRECT OR INDIRECT PAYMENT OR GRANTS A FINANCIAL INCENTIVE TO THE
 10 ATTORNEY OR A RELATED PERSON OF THE ATTORNEY RELATING TO THE
 11 TREATMENT, PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING,
 12 OR ACCOMMODATION WITHIN 24 MONTHS BEFORE OR AFTER THE TREATMENT,
 13 PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR
 14 ACCOMMODATION IS PROVIDED.

15 Sec. 3157. (1) ~~A~~**SUBJECT TO SUBSECTIONS (2) AND (3), A PERSON,**
 16 **INCLUDING, BUT NOT LIMITED TO, A** physician, hospital, clinic, or
 17 other ~~person or institution, THAT~~ lawfully ~~rendering~~**RENDERS**
 18 treatment, **PRODUCTS, SERVICES, OR ACCOMMODATIONS** to an injured
 19 person for an accidental bodily injury covered by personal
 20 protection insurance, ~~and a person or institution providing~~**OR THAT**
 21 **PROVIDES** rehabilitative occupational training **TO THE INJURED PERSON**
 22 following the injury, may charge a reasonable amount for the
 23 **TREATMENT, TRAINING,** products, services, and accommodations.
 24 ~~rendered.~~The charge shall ~~shall~~**MUST** not exceed the amount the person ~~or~~
 25 ~~institution~~ customarily charges for like **TREATMENT, TRAINING,**
 26 products, services, and accommodations in cases ~~not involving~~**THAT**
 27 **DO NOT INVOLVE PERSONAL PROTECTION** insurance.

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1 (2) SUBJECT TO SUBSECTIONS (3) [, (6) , AND (7)] , A PERSON
2 THAT RENDERS
3 A TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION TO AN
4 INJURED PERSON FOR AN ACCIDENTAL BODILY INJURY IS NOT ELIGIBLE FOR
5 PAYMENT OR REIMBURSEMENT UNDER THIS CHAPTER OF MORE THAN THE AMOUNT
6 PAYABLE FOR THE TREATMENT, TRAINING, PRODUCT, SERVICE, OR
7 ACCOMMODATION UNDER R 418.10101 TO R 418.101503 OF THE MICHIGAN
8 ADMINISTRATIVE CODE OR SCHEDULES OF MAXIMUM FEES FOR WORKER'S
9 COMPENSATION DEVELOPED UNDER THOSE RULES, IN EFFECT ON THE
10 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.
11 THE DIRECTOR SHALL REVIEW ANY CHANGES TO R 418.10101 TO R
12 418.101503 OF THE MICHIGAN ADMINISTRATIVE CODE OR SCHEDULES OF
13 MAXIMUM FEES FOR WORKER'S COMPENSATION DEVELOPED UNDER THOSE RULES.
14 IF THE DIRECTOR DETERMINES THAT THE CHANGES ARE REASONABLE AND
15 APPROPRIATE FOR PURPOSES OF ASSURING AFFORDABLE AUTOMOBILE
16 INSURANCE IN THIS STATE, THE CHANGES APPLY FOR PURPOSES OF THIS
17 SUBSECTION AND THE DIRECTOR SHALL ISSUE AN ORDER TO THAT EFFECT.

18 (3) FOR ATTENDANT CARE RENDERED IN THE INJURED PERSON'S HOME,
19 AN INSURER IS ONLY REQUIRED TO PAY BENEFITS FOR ATTENDANT CARE UP
20 TO THE HOURLY LIMITATION IN SECTION 315 OF THE WORKER'S DISABILITY
21 COMPENSATION ACT OF 1969, 1969 PA 317, MCL 418.315. THIS SUBSECTION
22 ONLY APPLIES IF THE ATTENDANT CARE IS PROVIDED DIRECTLY, OR
23 INDIRECTLY THROUGH ANOTHER PERSON, BY ANY OF THE FOLLOWING:

24 (A) AN INDIVIDUAL WHO IS RELATED TO THE INJURED PERSON.

25 (B) AN INDIVIDUAL WHO IS DOMICILED IN THE HOUSEHOLD OF THE
26 INJURED PERSON.

27 (C) AN INDIVIDUAL WITH WHOM THE INJURED PERSON HAD A BUSINESS
 OR SOCIAL RELATIONSHIP BEFORE THE INJURY.

1 (4) AN INSURER MAY CONTRACT TO PAY BENEFITS FOR ATTENDANT CARE
2 FOR MORE THAN THE HOURLY LIMITATION UNDER SUBSECTION (3) .

3 (5) IF R 418.10101 TO R 418.101503 OF THE MICHIGAN
4 ADMINISTRATIVE CODE OR SCHEDULES OF MAXIMUM FEES FOR WORKER'S
5 COMPENSATION DEVELOPED UNDER THOSE RULES, IN EFFECT ON THE
6 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION,
7 INCLUDING ANY CHANGES APPLICABLE UNDER SUBSECTION (2) , DO NOT
8 PROVIDE AN AMOUNT PAYABLE FOR TREATMENT, TRAINING, PRODUCT,
9 SERVICE, OR ACCOMMODATION RENDERED TO AN INJURED PERSON FOR
10 ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE
11 OR REHABILITATIVE OCCUPATIONAL TRAINING TO THE INJURED PERSON
12 FOLLOWING THE INJURY, THE PERSON THAT RENDERS THE TREATMENT,
13 PRODUCT, SERVICE, OR ACCOMMODATION IS NOT ELIGIBLE FOR PAYMENT OR
14 REIMBURSEMENT UNDER THIS CHAPTER OF MORE THAN THE AVERAGE AMOUNT
15 ACCEPTED BY THE PERSON AS PAYMENT OR REIMBURSEMENT IN FULL FOR THE
16 TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION DURING THE
17 PRECEDING CALENDAR YEAR IN CASES THAT DO NOT INVOLVE PERSONAL
18 PROTECTION INSURANCE.

19 (6) A NEUROLOGICAL REHABILITATION CLINIC IS NOT ENTITLED TO
20 PAYMENT OR REIMBURSEMENT FOR A TREATMENT, TRAINING, PRODUCT,
21 SERVICE, OR ACCOMMODATION UNLESS THE NEUROLOGICAL REHABILITATION
22 CLINIC IS ACCREDITED BY THE COMMISSION ON ACCREDITATION OF
23 REHABILITATION FACILITIES OR A SIMILAR ORGANIZATION RECOGNIZED BY
24 THE DIRECTOR FOR PURPOSES OF ACCREDITATION UNDER THIS SUBSECTION.
25 THIS SUBSECTION DOES NOT APPLY TO A NEUROLOGICAL REHABILITATION
26 CLINIC THAT IS IN THE PROCESS OF BECOMING ACCREDITED AS REQUIRED
27 UNDER THIS SUBSECTION ON THE EFFECTIVE DATE OF THE AMENDATORY ACT

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1 THAT ADDED THIS SUBSECTION, UNLESS 3 YEARS HAVE PASSED SINCE THE
 2 BEGINNING OF THAT PROCESS AND THE NEUROLOGICAL REHABILITATION
 3 CLINIC IS STILL NOT ACCREDITED.

[(7) SUBSECTIONS (2) TO (6) DO NOT APPLY TO EMERGENCY MEDICAL SERVICES
 RENDERED BY AN AMBULANCE OPERATION. AS USED IN THIS SUBDIVISION:

(i) "AMBULANCE OPERATION" MEANS THAT TERM AS DEFINED IN SECTION
 20902 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.20902.

(ii) "EMERGENCY MEDICAL SERVICES" MEANS THAT TERM AS DEFINED IN
 SECTION 20904 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.20904.]

4 [(8)] SUBSECTIONS (2) TO [(7)] APPLY TO A TREATMENT, TRAINING,
 5 PRODUCT, SERVICE, OR ACCOMMODATION RENDERED AFTER THE EFFECTIVE
 6 DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, REGARDLESS
 7 OF WHEN THE ACCIDENTAL BODILY INJURY OCCURRED. SUBSECTIONS (2) TO
 8 [(7)] APPLY REGARDLESS OF WHETHER INDEMNIFICATION FOR THE CHARGE IS
 9 BEING MADE BY THE CATASTROPHIC CLAIMS ASSOCIATION UNDER SECTION
 10 3104.

11 [(9)] AS USED IN THIS SECTION, "NEUROLOGICAL REHABILITATION
 12 CLINIC" MEANS A PERSON THAT PROVIDES POST-ACUTE BRAIN AND SPINAL
 13 REHABILITATION CARE.

14 SEC. 3157A. (1) BY RENDERING ANY TREATMENT, PRODUCTS,
 15 SERVICES, OR ACCOMMODATIONS TO 1 OR MORE INJURED PERSONS FOR AN
 16 ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE
 17 UNDER THIS CHAPTER AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT
 18 THAT ADDED THIS SECTION, A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER
 19 PERSON IS CONSIDERED TO HAVE AGREED TO DO BOTH OF THE FOLLOWING:

20 (A) SUBMIT NECESSARY RECORDS AND OTHER INFORMATION CONCERNING
 21 TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS PROVIDED FOR
 22 UTILIZATION REVIEW UNDER THIS SECTION.

23 (B) COMPLY WITH ANY DECISION OF THE DEPARTMENT UNDER THIS
 24 SECTION.

25 (2) A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR
 26 INSTITUTION THAT KNOWINGLY SUBMITS FALSE OR MISLEADING RECORDS OR
 27 OTHER INFORMATION TO AN INSURER, THE ASSOCIATION CREATED UNDER

1 SECTION 3104, OR THE DEPARTMENT UNDER THIS SECTION IS GUILTY OF A
2 MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 1 YEAR OR
3 A FINE OF NOT MORE THAN \$1,000.00, OR BOTH.

4 (3) THE DEPARTMENT SHALL PROMULGATE RULES UNDER THE
5 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO
6 24.328, TO DO BOTH OF THE FOLLOWING:

7 (A) ESTABLISH CRITERIA OR STANDARDS FOR UTILIZATION REVIEW
8 THAT IDENTIFY UTILIZATION OF TREATMENT, PRODUCTS, SERVICES, OR
9 ACCOMMODATIONS UNDER THIS CHAPTER ABOVE THE USUAL RANGE OF
10 UTILIZATION FOR THE TREATMENT, PRODUCTS, SERVICES, OR
11 ACCOMMODATIONS BASED ON MEDICALLY ACCEPTED STANDARDS.

12 (B) PROVIDE PROCEDURES RELATED TO UTILIZATION REVIEW,
13 INCLUDING PROCEDURES FOR ALL OF THE FOLLOWING:

14 (i) ACQUIRING NECESSARY RECORDS, MEDICAL BILLS, AND OTHER
15 INFORMATION CONCERNING THE TREATMENT, PRODUCTS, SERVICES, OR
16 ACCOMMODATIONS PROVIDED.

17 (ii) ALLOWING AN INSURER TO REQUEST AN EXPLANATION FOR AND
18 REQUIRING A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON TO EXPLAIN
19 THE NECESSITY OR INDICATION FOR TREATMENT, PRODUCTS, SERVICES, OR
20 ACCOMMODATIONS PROVIDED.

21 (iii) APPEALING DETERMINATIONS.

22 (4) IF A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON PROVIDES
23 TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS UNDER THIS CHAPTER
24 THAT ARE NOT USUALLY ASSOCIATED WITH, ARE LONGER IN DURATION THAN,
25 ARE MORE FREQUENT THAN, OR EXTEND OVER A GREATER NUMBER OF DAYS
26 THAN THE TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS USUALLY
27 REQUIRE FOR THE DIAGNOSIS OR CONDITION FOR WHICH THE PATIENT IS

1 BEING TREATED, THE INSURER OR THE ASSOCIATION CREATED UNDER SECTION
2 3104 MAY REQUIRE THE PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON
3 TO EXPLAIN THE NECESSITY OR INDICATION FOR THE TREATMENT, PRODUCTS,
4 SERVICES, OR ACCOMMODATIONS IN WRITING UNDER THE PROCEDURES
5 PROVIDED UNDER SUBSECTION (3).

6 (5) IF AN INSURER OR THE ASSOCIATION CREATED UNDER SECTION
7 3104 DETERMINES THAT A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON
8 IMPROPERLY OVERUTILIZED OR OTHERWISE RENDERED OR ORDERED
9 INAPPROPRIATE TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS, OR
10 THAT THE COST OF THE TREATMENT, PRODUCTS, SERVICES, OR
11 ACCOMMODATIONS WAS INAPPROPRIATE UNDER THIS CHAPTER, THE PHYSICIAN,
12 HOSPITAL, CLINIC, OR OTHER PERSON MAY APPEAL THE DETERMINATION TO
13 THE DEPARTMENT UNDER THE PROCEDURES PROVIDED UNDER SUBSECTION (3).

14 (6) IF THE DEPARTMENT DETERMINES THAT AN INSURER COMPLIES WITH
15 THE CRITERIA OR STANDARDS FOR UTILIZATION REVIEW ESTABLISHED UNDER
16 SUBSECTION (3), THE DEPARTMENT SHALL CERTIFY THE INSURER.

17 (7) AS USED IN THIS SECTION, "UTILIZATION REVIEW" MEANS THE
18 INITIAL EVALUATION BY AN INSURER OR THE ASSOCIATION CREATED UNDER
19 SECTION 3104 OF THE APPROPRIATENESS IN TERMS OF BOTH THE LEVEL AND
20 THE QUALITY OF TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS
21 PROVIDED UNDER THIS CHAPTER BASED ON MEDICALLY ACCEPTED STANDARDS.

22 SEC. 3157B. ANY PROPRIETARY INFORMATION OR SENSITIVE
23 PERSONALLY IDENTIFIABLE INFORMATION REGARDING A PATIENT THAT IS
24 SUBMITTED TO THE DEPARTMENT UNDER SECTION 3157A IS EXEMPT FROM
25 DISCLOSURE UNDER SECTION 13(E) OF THE FREEDOM OF INFORMATION ACT,
26 1976 PA 442, MCL 15.243, AND THE DEPARTMENT SHALL EXEMPT ANY SUCH
27 INFORMATION FROM DISCLOSURE UNDER ANY OTHER APPLICABLE EXEMPTIONS

1 UNDER SECTION 13 OF THE FREEDOM OF INFORMATION ACT, 1976 PA 442,
2 MCL 15.243.

3 Sec. 3163. ~~(1)~~—An insurer authorized to transact automobile
4 liability insurance and personal and property protection insurance
5 in this state ~~shall file and maintain a written certification that~~
6 ~~any~~ **IS NOT REQUIRED TO PROVIDE PERSONAL PROTECTION INSURANCE OR**
7 **PROPERTY PROTECTION INSURANCE BENEFITS UNDER THIS CHAPTER FOR**
8 accidental bodily injury or property damage occurring in this state
9 arising from the ownership, operation, maintenance, or use of a
10 motor vehicle as a motor vehicle by an out-of-state resident who is
11 insured under ~~its~~ **THE INSURER'S** automobile liability insurance
12 policies. ~~, is subject to the personal and property protection~~
13 ~~insurance system under this act.~~

14 ~~—— (2) A nonadmitted insurer may voluntarily file the~~
15 ~~certification described in subsection (1).~~

16 ~~—— (3) Except as otherwise provided in subsection (4), if a~~
17 ~~certification filed under subsection (1) or (2) applies to~~
18 ~~accidental bodily injury or property damage, the insurer and its~~
19 ~~insureds with respect to that injury or damage have the rights and~~
20 ~~immunities under this act for personal and property protection~~
21 ~~insureds, and claimants have the rights and benefits of personal~~
22 ~~and property protection insurance claimants, including the right to~~
23 ~~receive benefits from the electing insurer as if it were an insurer~~
24 ~~of personal and property protection insurance applicable to the~~
25 ~~accidental bodily injury or property damage.~~

26 ~~—— (4) If an insurer of an out-of-state resident is required to~~
27 ~~provide benefits under subsections (1) to (3) to that out-of-state~~

1 ~~resident for accidental bodily injury for an accident in which the~~
 2 ~~out-of-state resident was not an occupant of a motor vehicle~~
 3 ~~registered in this state, the insurer is only liable for the amount~~
 4 ~~of ultimate loss sustained up to \$500,000.00. Benefits under this~~
 5 ~~subsection are not recoverable to the extent that benefits covering~~
 6 ~~the same loss are available from other sources, regardless of the~~
 7 ~~nature or number of benefit sources available and regardless of the~~
 8 ~~nature or form of the benefits.~~

9 Sec. 3172. (1) A person entitled to claim because of
 10 accidental bodily injury arising out of the ownership, operation,
 11 maintenance, or use of a motor vehicle as a motor vehicle in this
 12 state may ~~obtain~~ **CLAIM** personal protection insurance benefits
 13 through the assigned claims plan if ~~no~~ **ANY OF THE FOLLOWING APPLY:**

14 **(A) NO** personal protection insurance is applicable to the
 15 injury. ~~no~~

16 **(B) NO** personal protection insurance applicable to the injury
 17 can be identified. ~~the~~

18 **(C) NO** personal protection insurance applicable to the injury
 19 ~~cannot~~ **CAN** be ascertained because of a dispute between 2 or more
 20 automobile insurers concerning their obligation to provide coverage
 21 or the equitable distribution of the loss. ~~or the~~

22 **(D) THE** only identifiable personal protection insurance
 23 applicable to the injury is, because of financial inability of 1 or
 24 more insurers to fulfill their obligations, inadequate to provide
 25 benefits up to the maximum prescribed. ~~In that case, unpaid~~

26 **(2) UNPAID** benefits due or coming due **AS DESCRIBED IN**
 27 **SUBSECTION (1)** may be collected under the assigned claims plan, and

1 the insurer to which the claim is assigned is entitled to
2 reimbursement from the defaulting insurers to the extent of their
3 financial responsibility.

4 (3) A PERSON ENTITLED TO CLAIM PERSONAL PROTECTION INSURANCE
5 BENEFITS THROUGH THE ASSIGNED CLAIMS PLAN UNDER SUBSECTION (1)
6 SHALL FILE A COMPLETED APPLICATION ON A CLAIM FORM PROVIDED BY THE
7 MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY AND PROVIDE
8 REASONABLE PROOF OF LOSS TO THE MICHIGAN AUTOMOBILE INSURANCE
9 PLACEMENT FACILITY. THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT
10 FACILITY OR AN INSURER ASSIGNED TO ADMINISTER A CLAIM ON BEHALF OF
11 THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY UNDER THE
12 ASSIGNED CLAIMS PLAN SHALL SPECIFY IN WRITING THE MATERIALS THAT
13 CONSTITUTE A REASONABLE PROOF OF LOSS WITHIN 60 DAYS AFTER RECEIPT
14 BY THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY OF AN
15 APPLICATION THAT COMPLIES WITH THIS SUBSECTION.

16 (4) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY OR AN
17 INSURER ASSIGNED TO ADMINISTER A CLAIM ON BEHALF OF THE MICHIGAN
18 AUTOMOBILE INSURANCE PLACEMENT FACILITY UNDER THE ASSIGNED CLAIMS
19 PLAN IS NOT REQUIRED TO PAY AN INTEREST PENALTY IN CONNECTION WITH
20 A CLAIM FOR ANY PERIOD OF TIME DURING WHICH THE CLAIM IS REASONABLY
21 IN DISPUTE.

22 (5) ~~(2)~~—Except as otherwise provided in this subsection,
23 personal protection insurance benefits, including benefits arising
24 from accidents occurring before March 29, 1985, payable through the
25 assigned claims plan ~~shall~~**MUST** be reduced to the extent that
26 benefits covering the same loss are available from other sources,
27 regardless of the nature or number of benefit sources available and

1 regardless of the nature or form of the benefits, to a person
 2 claiming personal protection insurance benefits through the
 3 assigned claims plan. This subsection only applies if the personal
 4 protection insurance benefits are payable through the assigned
 5 claims plan ~~because no personal protection insurance is applicable~~
 6 ~~to the injury, no personal protection insurance applicable to the~~
 7 ~~injury can be identified, or the only identifiable personal~~
 8 ~~protection insurance applicable to the injury is, because of~~
 9 ~~financial inability of 1 or more insurers to fulfill their~~
 10 ~~obligations, inadequate to provide benefits up to the maximum~~
 11 ~~prescribed. UNDER SUBSECTION (1) (A), (B), OR (D).~~ As used in this
 12 subsection, "sources" and "benefit sources" do not include the
 13 program for medical assistance for the medically indigent under the
 14 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, or
 15 ~~insurance under the health insurance for the aged act, title~~ **AND**
 16 **DISABLED UNDER SUBCHAPTER XVIII** of the social security act, 42 USC
 17 1395 to ~~1395kkk-1.1395lll~~.

18 (6) ~~(3)~~—If the obligation to provide personal protection
 19 insurance benefits cannot be ascertained because of a dispute
 20 between 2 or more automobile insurers concerning their obligation
 21 to provide coverage or the equitable distribution of the loss, and
 22 if a method of voluntary payment of benefits cannot be agreed upon
 23 among or between the disputing insurers, all of the following
 24 apply:

25 (a) The insurers who are parties to the dispute shall, or the
 26 claimant may, immediately notify the Michigan automobile insurance
 27 placement facility of their inability to determine their statutory

1 obligations.

2 (b) The ~~claim shall be assigned by the~~ Michigan automobile
3 insurance placement facility **SHALL ASSIGN THE CLAIM** to an insurer
4 and the insurer shall immediately provide personal protection
5 insurance benefits to the claimant or claimants entitled to
6 benefits.

7 (c) ~~An action~~ **THE INSURER ASSIGNED THE CLAIM BY THE MICHIGAN**
8 **AUTOMOBILE INSURANCE PLACEMENT FACILITY** shall ~~be~~ immediately
9 ~~commenced~~ **COMMENCE AN ACTION** on behalf of the Michigan automobile
10 insurance placement facility ~~by the insurer to whom the claim is~~
11 ~~assigned~~ in circuit court to declare the rights and duties of any
12 interested party.

13 (d) The insurer to whom the claim is assigned shall join as
14 parties defendant to the action commenced under subdivision (c)
15 each insurer disputing either the obligation to provide personal
16 protection insurance benefits or the equitable distribution of the
17 loss among the insurers.

18 (e) The circuit court shall declare the rights and duties of
19 any interested party whether or not other relief is sought or could
20 be granted.

21 (f) After hearing the action, the circuit court shall
22 determine the insurer or insurers, if any, obligated to provide the
23 applicable personal protection insurance benefits and the equitable
24 distribution, if any, among the insurers obligated, and shall order
25 reimbursement to the Michigan automobile insurance placement
26 facility from the insurer or insurers to the extent of the
27 responsibility as determined by the court. The reimbursement

1 ordered under this subdivision ~~shall~~**MUST** include all benefits and
 2 costs paid or incurred by the Michigan automobile insurance
 3 placement facility and all benefits and costs paid or incurred by
 4 insurers determined not to be obligated to provide applicable
 5 personal protection insurance benefits, including ~~reasonable,~~
 6 ~~actually~~ incurred attorney fees and interest at the rate prescribed
 7 in section 3175 ~~as of~~**APPLICABLE ON** December 31 of the year
 8 preceding the determination of the circuit court.

9 **(7) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY AND**
 10 **THE INSURER TO WHOM A CLAIM IS ASSIGNED BY THE MICHIGAN AUTOMOBILE**
 11 **INSURANCE PLACEMENT FACILITY ARE ONLY REQUIRED TO PROVIDE PERSONAL**
 12 **PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1) (A) UP TO THE**
 13 **LIMIT PROVIDED IN SECTION 3107C(1) (A) .**

14 Sec. 3173a. (1) The Michigan automobile insurance placement
 15 facility shall **REVIEW A CLAIM FOR PERSONAL PROTECTION INSURANCE**
 16 **BENEFITS UNDER THE ASSIGNED CLAIMS PLAN, SHALL** make an initial
 17 determination of ~~a claimant's~~**THE** eligibility for benefits under
 18 **THIS CHAPTER AND** the assigned claims plan, and shall deny ~~an~~
 19 ~~obviously ineligible~~**A claim . The** **THAT THE MICHIGAN AUTOMOBILE**
 20 **INSURANCE PLACEMENT FACILITY DETERMINES IS INELIGIBLE UNDER THIS**
 21 **CHAPTER OR THE ASSIGNED CLAIMS PLAN. IF A CLAIMANT OR PERSON MAKING**
 22 **A CLAIM THROUGH OR ON BEHALF OF A CLAIMANT FAILS TO COOPERATE WITH**
 23 **THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY AS REQUIRED BY**
 24 **SUBSECTION (2) , THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT**
 25 **FACILITY SHALL SUSPEND BENEFITS TO THE CLAIMANT UNDER THE ASSIGNED**
 26 **CLAIMS PLAN. A SUSPENSION UNDER THIS SUBSECTION IS NOT AN**
 27 **IRREVOCABLE DENIAL OF BENEFITS, AND MUST CONTINUE ONLY UNTIL THE**

1 MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY DETERMINES THAT
2 THE CLAIMANT OR PERSON MAKING A CLAIM THROUGH OR ON BEHALF OF A
3 CLAIMANT COOPERATES OR RESUMES COOPERATION WITH THE MICHIGAN
4 AUTOMOBILE INSURANCE PLACEMENT FACILITY. THE MICHIGAN AUTOMOBILE
5 INSURANCE PLACEMENT FACILITY SHALL PROMPTLY NOTIFY IN WRITING THE
6 claimant ~~shall be notified promptly in writing~~ AND ANY PERSON THAT
7 SUBMITTED A CLAIM THROUGH OR ON BEHALF OF A CLAIMANT of ~~the~~ A
8 denial and the reasons for the denial.

9 (2) A CLAIMANT OR A PERSON MAKING A CLAIM THROUGH OR ON BEHALF
10 OF A CLAIMANT SHALL COOPERATE WITH THE MICHIGAN AUTOMOBILE
11 INSURANCE PLACEMENT FACILITY IN ITS DETERMINATION OF ELIGIBILITY
12 AND THE SETTLEMENT OR DEFENSE OF ANY CLAIM OR SUIT, INCLUDING, BUT
13 NOT LIMITED TO, SUBMITTING TO AN EXAMINATION UNDER OATH AND
14 COMPLIANCE WITH SECTIONS 3151 TO 3153. THERE IS A REBUTTABLE
15 PRESUMPTION THAT A PERSON HAS SATISFIED THE DUTY TO COOPERATE UNDER
16 THIS SECTION IF ALL OF THE FOLLOWING APPLY:

17 (A) THE PERSON SUBMITTED A CLAIM FOR PERSONAL PROTECTION
18 INSURANCE BENEFITS UNDER THE ASSIGNED CLAIMS PLAN BY SUBMITTING TO
19 THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY A COMPLETE
20 APPLICATION ON A FORM PROVIDED BY THE MICHIGAN AUTOMOBILE INSURANCE
21 PLACEMENT FACILITY IN ACCORDANCE WITH THE ASSIGNED CLAIMS PLAN.

22 (B) THE PERSON PROVIDED REASONABLE PROOF OF LOSS UNDER THE
23 ASSIGNED CLAIMS PLAN AS DESCRIBED IN SECTION 3172.

24 (C) IF REQUIRED UNDER THIS SUBSECTION TO SUBMIT TO AN
25 EXAMINATION UNDER OATH, THE PERSON SUBMITTED TO THE EXAMINATION,
26 SUBJECT TO ALL OF THE FOLLOWING:

27 (i) THE PERSON WAS PROVIDED AT LEAST 21 DAYS' NOTICE OF THE

1 EXAMINATION.

2 (ii) THE EXAMINATION WAS CONDUCTED IN A LOCATION REASONABLY
3 CONVENIENT FOR THE PERSON.

4 (iii) ANY REASONABLE REQUEST BY THE PERSON TO RESCHEDULE THE
5 DATE, TIME, OR LOCATION OF THE EXAMINATION WAS ACCOMMODATED.

6 (3) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY
7 PERFORM ITS FUNCTIONS AND RESPONSIBILITIES UNDER THIS SECTION AND
8 THE ASSIGNED CLAIMS PLAN DIRECTLY OR THROUGH AN INSURER ASSIGNED BY
9 THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY TO ADMINISTER
10 THE CLAIM ON BEHALF OF THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT
11 FACILITY. THE ASSIGNMENT OF A CLAIM BY THE MICHIGAN AUTOMOBILE
12 INSURANCE PLACEMENT FACILITY TO AN INSURER IS NOT A DETERMINATION
13 OF ELIGIBILITY UNDER THIS CHAPTER OR THE ASSIGNED CLAIMS PLAN, AND
14 A CLAIM ASSIGNED TO AN INSURER BY THE MICHIGAN AUTOMOBILE INSURANCE
15 PLACEMENT FACILITY MAY LATER BE DENIED IF THE CLAIM IS NOT ELIGIBLE
16 UNDER THIS CHAPTER OR THE ASSIGNED CLAIMS PLAN.

17 (4) ~~(2)~~—A person who presents or causes to be presented an
18 oral or written statement, including computer-generated
19 information, as part of or in support of a claim to the Michigan
20 automobile insurance placement facility, **OR TO AN INSURER TO WHICH**
21 **THE CLAIM IS ASSIGNED UNDER THE ASSIGNED CLAIMS PLAN**, for payment
22 or another benefit knowing that the statement contains false
23 information concerning a fact or thing material to the claim
24 commits a fraudulent insurance act under section 4503 that is
25 subject to the penalties imposed under section 4511. A claim that
26 contains or is supported by a fraudulent insurance act as described
27 in this subsection is ineligible for payment ~~or~~ **OF PERSONAL**

1 PROTECTION INSURANCE benefits under the assigned claims plan.

2 (5) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY
3 CONTRACT WITH OTHER PERSONS FOR ALL OR A PORTION OF THE GOODS AND
4 SERVICES NECESSARY FOR OPERATING AND MAINTAINING THE ASSIGNED
5 CLAIMS PLAN.

6 Sec. 3174. A person claiming through the assigned claims plan
7 shall notify the Michigan automobile insurance placement facility
8 of his or her claim within ~~the time that would have been allowed~~
9 ~~for filing an action for personal protection insurance benefits if~~
10 ~~identifiable coverage applicable to the claim had been in effect.~~
11 ~~The~~ 1 YEAR AFTER THE DATE OF THE ACCIDENT. ON AN INITIAL
12 DETERMINATION OF A CLAIMANT'S ELIGIBILITY FOR BENEFITS THROUGH THE
13 ASSIGNED CLAIMS PLAN, THE Michigan automobile insurance placement
14 facility shall promptly assign the claim in accordance with the
15 plan and notify the claimant of the identity and address of the
16 insurer to which the claim is assigned. An action by ~~the~~ A claimant
17 ~~shall not be commenced more than 30 days after receipt of notice of~~
18 ~~the assignment or the last date on which the action could have been~~
19 ~~commenced against an insurer of identifiable coverage applicable to~~
20 ~~the claim, whichever is later.~~ **MUST BE COMMENCED AS PROVIDED IN**
21 **SECTION 3145.**

22 Sec. 3175. (1) The assignment of claims under the assigned
23 claims plan ~~shall~~ **MUST** be made according to procedures established
24 in the assigned claims plan that assure fair allocation of the
25 burden of assigned claims among insurers doing business in this
26 state on a basis reasonably related to the volume of automobile
27 liability and personal protection insurance they write on motor

1 vehicles or the number of self-insured motor vehicles. An insurer
2 to whom claims have been assigned shall make prompt payment of loss
3 in accordance with this act. An insurer is entitled to
4 reimbursement by the Michigan automobile insurance placement
5 facility for the payments, the established loss adjustment cost,
6 and an amount determined by use of the average annual 90-day United
7 States treasury bill yield rate, as reported by the ~~council of~~
8 ~~economic advisers~~ **COUNCIL OF ECONOMIC ADVISERS** as of December 31 of
9 the year for which reimbursement is sought, as follows:

10 (a) For the calendar year in which claims are paid by the
11 insurer, the amount ~~shall~~ **MUST** be determined by applying the
12 specified annual yield rate specified in this subsection to 1/2 of
13 the total claims payments and loss adjustment costs.

14 (b) For the period from the end of the calendar year in which
15 claims are paid by the insurer to the date payments for the
16 operation of the assigned claims plan are due, the amount ~~shall~~
17 **MUST** be determined by applying the annual yield rate specified in
18 this subsection to the total claims payments and loss adjustment
19 costs multiplied by a fraction, the denominator of which is 365 and
20 the numerator of which is equal to the number of days that have
21 elapsed between the end of the calendar year and the date payments
22 for the operation of the assigned claims plan are due.

23 (2) ~~The~~ **AN INSURER ASSIGNED A CLAIM BY THE MICHIGAN AUTOMOBILE**
24 **INSURANCE PLACEMENT FACILITY UNDER THE ASSIGNED CLAIMS PLAN OR A**
25 **PERSON AUTHORIZED TO ACT ON BEHALF OF THE PLAN MAY BRING AN ACTION**
26 **FOR REIMBURSEMENT AND INDEMNIFICATION OF THE CLAIM ON BEHALF OF THE**
27 **MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY. THE** insurer to

1 ~~whom claims have~~ **WHICH THE CLAIM HAS** been assigned shall preserve
2 and enforce rights to indemnity or reimbursement against third
3 parties and account to the Michigan automobile insurance placement
4 facility for the rights and shall assign the rights to the Michigan
5 automobile insurance placement facility on reimbursement by the
6 Michigan automobile insurance placement facility. This section does
7 not preclude an insurer from entering into reasonable compromises
8 and settlements with third parties against whom rights to indemnity
9 or reimbursement exist. The insurer shall account to the Michigan
10 automobile insurance placement facility for any compromises and
11 settlements. The procedures established under the assigned claims
12 plan ~~shall~~ **OF OPERATION MUST** establish reasonable standards for
13 enforcing rights to indemnity or reimbursement against third
14 parties, including a standard establishing an amount below which
15 actions to preserve and enforce the rights need not be pursued.

16 (3) An action to enforce rights to indemnity or reimbursement
17 against a third party ~~shall~~ **MUST** not be commenced after the later
18 of ~~2~~ **THE FOLLOWING:**

19 (A) **TWO** years after the assignment of the claim to the
20 insurer. ~~or 1~~

21 (B) **ONE** year after the date of the last payment to the
22 claimant.

23 (C) **ONE YEAR AFTER THE DATE THE RESPONSIBLE THIRD PARTY IS**
24 **IDENTIFIED.**

25 (4) Payments for the operation of the assigned claims plan not
26 paid by the due date ~~shall~~ bear interest at the rate of 20% per
27 annum.

1 (5) The Michigan automobile insurance placement facility may
2 enter into a written agreement with the debtor permitting the
3 payment of the judgment or acknowledgment of debt in installments
4 payable to the Michigan automobile insurance placement facility. A
5 default in payment of installments under a judgment as agreed
6 subjects the debtor to suspension or revocation of his or her motor
7 vehicle license or registration in the same manner as for the
8 failure by an uninsured motorist to pay a judgment by installments
9 under section 3177, **INCLUDING RESPONSIBILITY FOR EXPENSES AS**
10 **PROVIDED IN SECTION 3177(4)**.

11 Sec. 3177. (1) ~~An~~**THE** insurer obligated to pay personal
12 protection insurance benefits for accidental bodily injury to a
13 person arising out of the ownership, maintenance, or use of an
14 uninsured motor vehicle as a motor vehicle may recover ~~such~~**ALL**
15 benefits paid, ~~and appropriate~~**INCURRED** loss adjustment costs **AND**
16 **EXPENSES, AND** incurred **ATTORNEY FEES** from the owner or registrant
17 of the uninsured motor vehicle or from his or her estate. Failure
18 of ~~such a person~~**THE OWNER OR REGISTRANT** to make payment within 30
19 days after **A** judgment **IS ENTERED IN AN ACTION FOR RECOVERY UNDER**
20 **THIS SUBSECTION** is a ground for suspension or revocation of his or
21 her motor vehicle registration and license as defined in section 25
22 of the Michigan vehicle code, ~~Act No. 300 of the Public Acts of~~
23 ~~1949, being section 257.25 of the Michigan Compiled Laws. An~~**1949**
24 **PA 300, MCL 257.25. FOR PURPOSES OF THIS SECTION, AN** uninsured
25 motor vehicle ~~for the purpose of this section~~ is a motor vehicle
26 with respect to which security as required by sections 3101 and
27 3102 is not in effect at the time of the accident.

1 (2) **THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY**
2 **MAKE A WRITTEN AGREEMENT WITH THE OWNER OR REGISTRANT OF AN**
3 **UNINSURED VEHICLE OR HIS OR HER ESTATE PERMITTING THE PAYMENT OF A**
4 **JUDGMENT DESCRIBED IN SUBSECTION (1) IN INSTALLMENTS PAYABLE TO THE**
5 **MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY.** The motor vehicle
6 registration and license ~~shall~~ **OF AN OWNER OR REGISTRANT WHO MAKES**
7 **A WRITTEN AGREEMENT UNDER THIS SUBSECTION MUST** not be suspended or
8 revoked and, ~~the motor vehicle registration and license shall~~ **IF**
9 **ALREADY SUSPENDED OR REVOKED UNDER SUBSECTION (1), MUST** be restored
10 ~~if the debtor enters into a written agreement with the secretary of~~
11 ~~state permitting the payment of the judgment in installments,~~ if
12 the payment of any installments is not in default.

13 (3) The secretary of state, ~~upon~~ **ON** receipt of a certified
14 abstract of court record of a judgment **DESCRIBED IN SUBSECTION (1)**
15 or notice from ~~the~~ **AN** insurer **OR THE MICHIGAN AUTOMOBILE INSURANCE**
16 **PLACEMENT FACILITY OR ITS DESIGNEE** of an acknowledgment of **A** debt
17 **DESCRIBED IN SUBSECTION (1),** shall notify the owner or registrant
18 ~~of an uninsured vehicle~~ of the provisions of subsection (1) at ~~that~~
19 ~~person's~~ **THE OWNER OR REGISTRANT'S** last ~~recorded~~ address **RECORDED**
20 with the secretary of state and inform ~~that person~~ **THE OWNER OR**
21 **REGISTRANT** of the right to enter into a written agreement **UNDER**
22 **THIS SECTION** with the ~~secretary of state~~ **MICHIGAN AUTOMOBILE**
23 **INSURANCE PLACEMENT FACILITY OR ITS DESIGNEE** for the payment of the
24 judgment or debt in installments.

25 (4) **EXPENSES FOR THE SUSPENSION, REVOCATION, OR REINSTATEMENT**
26 **OF A MOTOR VEHICLE REGISTRATION OR LICENSE UNDER THIS SECTION ARE**
27 **THE RESPONSIBILITY OF THE OWNER OR REGISTRANT OR OF HIS OR HER**

1 ESTATE. AN OWNER OR REGISTRANT WHOSE REGISTRATION OR LICENSE IS
2 SUSPENDED UNDER THIS SECTION SHALL PAY ANY REINSTATEMENT FEE AS
3 REQUIRED UNDER SECTION 320E OF THE MICHIGAN VEHICLE CODE, 1949 PA
4 300, MCL 257.320E.

5 CHAPTER 63

6 AUTOMOBILE INSURANCE FRAUD TASK FORCE

7 SEC. 6301. AS USED IN THIS CHAPTER:

8 (A) "AUTOMOBILE INSURANCE FRAUD" MEANS A FRAUDULENT INSURANCE
9 ACT AS DESCRIBED IN SECTION 4503 THAT IS COMMITTED IN CONNECTION
10 WITH AUTOMOBILE INSURANCE, INCLUDING AN APPLICATION FOR AUTOMOBILE
11 INSURANCE, REGARDLESS OF WHETHER THE ACT CONSTITUTES A CRIME OR
12 ANOTHER VIOLATION OF LAW.

13 (B) "FUND" MEANS THE AUTOMOBILE INSURANCE FRAUD FUND CREATED
14 IN SECTION 6304.

15 (C) "TASK FORCE" MEANS THE AUTOMOBILE INSURANCE FRAUD TASK
16 FORCE CREATED UNDER SECTION 6302.

17 SEC. 6302. (1) THE AUTOMOBILE INSURANCE FRAUD TASK FORCE IS
18 CREATED IN THE DEPARTMENT OF STATE POLICE. MEMBERS OF THE TASK
19 FORCE SHALL PERFORM THEIR DUTIES ON THE TASK FORCE UNDER THE
20 DIRECTION OF THE DIRECTOR OF THE DEPARTMENT OF STATE POLICE.

21 (2) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS,
22 APPOINTED AS FOLLOWS:

23 (A) FIVE OFFICERS OF THE DEPARTMENT OF STATE POLICE AS
24 DESCRIBED UNDER SECTION 6 OF 1935 PA 59, MCL 28.6, APPOINTED BY THE
25 DIRECTOR OF THE DEPARTMENT OF STATE POLICE.

26 (B) ONE EMPLOYEE OF THE DEPARTMENT, APPOINTED BY THE DIRECTOR.

27 (C) ONE REPRESENTATIVE OF THE CATASTROPHIC CLAIMS ASSOCIATION

1 CREATED UNDER SECTION 3104, APPOINTED BY THE CATASTROPHIC CLAIMS
2 ASSOCIATION BOARD.

3 (D) ONE EMPLOYEE OF THE MICHIGAN AUTOMOBILE INSURANCE
4 PLACEMENT FACILITY WHO IS INVOLVED IN THE OPERATION OF THE ASSIGNED
5 CLAIMS PLAN CREATED UNDER SECTION 3171, APPOINTED BY THE MICHIGAN
6 AUTOMOBILE INSURANCE PLACEMENT FACILITY.

7 (E) ONE EMPLOYEE OF THE DEPARTMENT OF ATTORNEY GENERAL,
8 APPOINTED BY THE ATTORNEY GENERAL.

9 (3) A MEMBER OF THE TASK FORCE SHALL SERVE AT THE PLEASURE OF
10 THE PERSON THAT APPOINTED THE MEMBER. IF A VACANCY OCCURS ON THE
11 TASK FORCE, THE PERSON WITH THE POWER TO APPOINT A MEMBER TO THE
12 VACANT POSITION SHALL MAKE AN APPOINTMENT IN THE SAME MANNER AS THE
13 ORIGINAL APPOINTMENT.

14 (4) THE TASK FORCE SHALL DO ALL OF THE FOLLOWING:

15 (A) RECEIVE RECORDS FROM THE ANTI-FRAUD UNIT CREATED UNDER
16 EXECUTIVE ORDER NO. 2018-9.

17 (B) COLLECT AND MAINTAIN CLAIMS OF AUTOMOBILE INSURANCE FRAUD.

18 (C) INVESTIGATE CLAIMS OF AUTOMOBILE INSURANCE FRAUD.

19 (D) MAINTAIN RECORDS OF ITS INVESTIGATIONS.

20 (E) PURSUE THE PROSECUTION, WHETHER CRIMINAL OR CIVIL, OF
21 PERSONS THAT COMMIT AUTOMOBILE INSURANCE FRAUD.

22 (5) THE TASK FORCE MAY DO 1 OR MORE OF THE FOLLOWING:

23 (A) SHARE RECORDS OF ITS INVESTIGATIONS WITH OTHER LAW
24 ENFORCEMENT AGENCIES AND DEPARTMENTS AND AGENCIES OF THIS STATE.

25 (B) REVIEW RECORDS OF OTHER LAW ENFORCEMENT AGENCIES AND
26 DEPARTMENTS AND AGENCIES OF THIS STATE TO ASSIST IN THE
27 INVESTIGATION OF AUTOMOBILE INSURANCE FRAUD AND ENFORCEMENT OF LAWS

1 RELATING TO AUTOMOBILE INSURANCE FRAUD.

2 (C) CONDUCT OUTREACH AND COORDINATION EFFORTS WITH LOCAL AND
3 STATE LAW ENFORCEMENT AGENCIES AND DEPARTMENTS AND AGENCIES OF THIS
4 STATE TO PROMOTE INVESTIGATION AND PROSECUTION OF AUTOMOBILE
5 INSURANCE FRAUD.

6 (D) ANYTHING ELSE THAT IT DETERMINES IS NECESSARY TO
7 INVESTIGATE AND PROSECUTE AUTOMOBILE INSURANCE FRAUD IN THIS STATE.

8 SEC. 6303. (1) WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THIS
9 CHAPTER, THE ANTI-FRAUD UNIT CREATED AS PROVIDED IN EXECUTIVE ORDER
10 NO. 2018-9 SHALL TRANSFER ALL RECORDS REGARDING CLAIMS OF
11 AUTOMOBILE INSURANCE FRAUD AND INVESTIGATION OF CLAIMS OF
12 AUTOMOBILE INSURANCE FRAUD IN ITS POSSESSION TO THE TASK FORCE.

13 (2) AFTER THE ANTI-FRAUD UNIT HAS TRANSFERRED THE RECORDS AS
14 REQUIRED BY SUBSECTION (1), THE ANTI-FRAUD UNIT IS DISSOLVED.

15 SEC. 6304. (1) THE AUTOMOBILE INSURANCE FRAUD FUND IS CREATED
16 WITHIN THE STATE TREASURY.

17 (2) THE STATE TREASURER MAY RECEIVE MONEY OR OTHER ASSETS FROM
18 ANY SOURCE FOR DEPOSIT INTO THE FUND. THE STATE TREASURER SHALL
19 DIRECT THE INVESTMENT OF THE FUND. THE STATE TREASURER SHALL CREDIT
20 TO THE FUND INTEREST AND EARNINGS FROM FUND INVESTMENTS.

21 (3) MONEY IN THE FUND AT THE CLOSE OF THE FISCAL YEAR MUST
22 REMAIN IN THE FUND AND NOT LAPSE TO THE GENERAL FUND.

23 (4) THE DEPARTMENT OF STATE POLICE IS THE ADMINISTRATOR OF THE
24 FUND FOR AUDITING PURPOSES.

25 (5) THE DEPARTMENT OF STATE POLICE SHALL DISBURSE MONEY FROM
26 THE FUND, UPON APPROPRIATION, AS FOLLOWS:

27 (A) UNTIL 5 YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION,

1 MONEY IN THE FUND MUST BE DISBURSED TO THE DEPARTMENT OF STATE
2 POLICE, THE DEPARTMENT, THE CATASTROPHIC CLAIMS ASSOCIATION, THE
3 MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY, AND THE
4 DEPARTMENT OF THE ATTORNEY GENERAL, IN PROPORTION TO THE NUMBER OF
5 OFFICERS, EMPLOYEES, OR REPRESENTATIVES EACH OF THESE HAS ON THE
6 TASK FORCE. MONEY DISBURSED UNDER THIS SUBDIVISION MUST BE USED FOR
7 THE OPERATION OF THE TASK FORCE.

8 (B) BEGINNING 5 YEARS AFTER THE EFFECTIVE DATE OF THIS
9 SECTION, THE DEPARTMENT OF STATE POLICE SHALL EXPEND MONEY FROM THE
10 FUND, UPON APPROPRIATION FOR THE OPERATION OF THE TASK FORCE.

11 SEC. 6305. (1) AN INSURER AUTHORIZED TO TRANSACT AUTOMOBILE
12 INSURANCE IN THIS STATE SHALL REPORT DATA REGARDING AUTOMOBILE
13 INSURANCE FRAUD BY MEDICAL PROVIDERS, ATTORNEYS, OR OTHER PERSONS
14 TO THE TASK FORCE.

15 (2) THE DEPARTMENT SHALL COOPERATE WITH THE TASK FORCE AND
16 SHALL PROVIDE ALL AVAILABLE STATISTICS ON AUTOMOBILE FRAUD AND
17 UNFAIR CLAIMS PRACTICES TO THE TASK FORCE ON REQUEST.

18 SEC. 6307. (1) BEGINNING JULY 1 OF THE YEAR AFTER THE
19 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, THE
20 TASK FORCE SHALL PREPARE AND PUBLISH AN ANNUAL REPORT TO THE
21 LEGISLATURE ON THE TASK FORCE'S EFFORTS TO PREVENT AUTOMOBILE
22 INSURANCE FRAUD BY MEDICAL PROVIDERS, ATTORNEYS, OR OTHER PERSONS,
23 UNFAIR CLAIMS PRACTICES OF INSURANCE COMPANIES, AND COST SAVINGS
24 THAT HAVE RESULTED FROM THOSE EFFORTS.

25 (2) THE ANNUAL REPORT TO THE LEGISLATURE REQUIRED BY THIS
26 SECTION MUST DETAIL THE AUTOMOBILE INSURANCE FRAUD BY MEDICAL
27 PROVIDERS, ATTORNEYS, OR OTHER PERSONS AND UNFAIR CLAIMS PRACTICES

1 OF INSURANCE COMPANIES OCCURRING IN THIS STATE FOR THE PREVIOUS
2 YEAR, ASSESS THE IMPACT OF THE FRAUD AND UNFAIR CLAIMS PRACTICES ON
3 RATES CHARGED FOR AUTOMOBILE INSURANCE, AND OUTLINE ANY
4 EXPENDITURES MADE BY THE TASK FORCE. THE DIRECTOR SHALL COOPERATE
5 IN DEVELOPING THE REPORT AS REQUESTED BY THE TASK FORCE AND SHALL
6 MAKE AVAILABLE TO THE TASK FORCE RECORDS AND STATISTICS CONCERNING
7 AUTOMOBILE INSURANCE FRAUD BY MEDICAL PROVIDERS, ATTORNEYS, OR
8 OTHER PERSONS AND UNFAIR CLAIMS PRACTICES, INCLUDING THE NUMBER OF
9 INSTANCES OF SUSPECTED AND CONFIRMED AUTOMOBILE INSURANCE FRAUD,
10 NUMBER OF PROSECUTIONS AND CONVICTIONS INVOLVING AUTOMOBILE
11 INSURANCE FRAUD, AUTOMOBILE INSURANCE FRAUD RECIDIVISM, UNFAIR
12 SETTLEMENT PRACTICES AND CLAIMS PRACTICES, INCLUDING THOSE REPORTED
13 TO THE DEPARTMENT UNDER SECTION 261, REIMBURSEMENT RATE PRACTICES,
14 TIMELINESS OF CLAIMS PRACTICES, AND THE USE OF INDEPENDENT MEDICAL
15 EXAMINERS. THE TASK FORCE SHALL EVALUATE THE IMPACT AUTOMOBILE
16 INSURANCE FRAUD BY MEDICAL PROVIDERS, ATTORNEYS, OR OTHER PERSONS
17 HAS ON THE CITIZENS OF THIS STATE AND THE COSTS INCURRED BY THE
18 CITIZENS THROUGH INSURANCE, POLICE ENFORCEMENT, PROSECUTION, AND
19 INCARCERATION BECAUSE OF AUTOMOBILE INSURANCE FRAUD. THE TASK FORCE
20 SHALL EVALUATE THE IMPACT UNFAIR CLAIMS PRACTICES BY INSURERS HAVE
21 ON THE CITIZENS OF THIS STATE AND SHALL DETERMINE THE COSTS
22 INCURRED BY THE CITIZENS THROUGH UNNECESSARY LITIGATION AND BAD-
23 FAITH PRACTICES.

24 (3) THE TASK FORCE SHALL SUBMIT THE ANNUAL REPORT TO THE
25 LEGISLATURE REQUIRED BY THIS SECTION TO THE STANDING COMMITTEES OF
26 THE SENATE AND HOUSE OF REPRESENTATIVES WITH PRIMARY JURISDICTION
27 OVER INSURANCE ISSUES AND THE DIRECTOR.

1 Enacting section 1. Section 3112 of the insurance code of
2 1956, 1956 PA 218, MCL 500.3112, as amended by this amendatory act,
3 applies to products, services, or accommodations provided after the
4 effective date of this amendatory act.