

HOUSE SUBSTITUTE FOR  
SENATE BILL NO. 1

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending sections 150, 224, 1244, 2038, 2040, 2069, 2105, 2106,  
2108, 2111, 2118, 2120, 2151, 3009, 3101, 3101a, 3104, 3107, 3109a,  
3111, 3112, 3113, 3114, 3115, 3135, 3142, 3145, 3148, 3151, 3157,  
3163, 3172, 3173a, 3174, 3175, and 3177 (MCL 500.150, 500.224,  
500.1244, 500.2038, 500.2040, 500.2069, 500.2105, 500.2106,  
500.2108, 500.2111, 500.2118, 500.2120, 500.2151, 500.3009,  
500.3101, 500.3101a, 500.3104, 500.3107, 500.3109a, 500.3111,  
500.3112, 500.3113, 500.3114, 500.3115, 500.3135, 500.3142,  
500.3145, 500.3148, 500.3151, 500.3157, 500.3163, 500.3172,  
500.3173a, 500.3174, 500.3175, and 500.3177), section 150 as  
amended by 1992 PA 182, section 224 as amended by 2007 PA 187,  
section 1244 as amended by 2001 PA 228, section 2069 as amended by

1989 PA 306, 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 2151 as added by 2012 PA 165, sections 3009 and 3113 as amended by 2016 PA 346, 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 3109a as amended by 2012 PA 454, 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, and section 3177 as amended by 1984 PA 426, and by adding sections 261, 271, 2013a, 2111f, 2116b, 2162, 3107c, 3107d, 3107e, 3157a, and 3157b and chapters 31A and 63.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 150. (1) Any person who violates any provision of this  
 2 act for which a specific penalty is not provided under any other  
 3 provision of this act or of other laws applicable to the violation  
 4 ~~shall~~**MUST** be afforded an opportunity for a hearing before the  
 5 ~~commissioner pursuant to~~**DIRECTOR UNDER** the administrative  
 6 procedures act of 1969, ~~Act No. 306 of the Public Acts of 1969,~~  
 7 ~~being sections 1969 PA 306, MCL 24.201 to 24.328. of the Michigan~~  
 8 ~~Compiled Laws.~~If the ~~commissioner~~**DIRECTOR** finds that a violation  
 9 has occurred, the ~~commissioner~~**DIRECTOR** shall reduce the findings  
 10 and decision to writing and ~~shall~~ issue and cause to be served ~~upon~~  
 11 **ON** the person charged with the violation a copy of the findings and  
 12 an order requiring the person to cease and desist from the  
 13 violation. In addition, the ~~commissioner~~**DIRECTOR** may order any of  
 14 the following:

1 (a) Payment of a civil fine of not more than ~~\$500.00~~ **\$1,000.00**  
 2 for each violation. However, if the person knew or reasonably  
 3 should have known that he or she was in violation of this act, the  
 4 ~~commissioner~~ **DIRECTOR** may order the payment of a civil fine of not  
 5 more than ~~\$2,500.00~~ **\$5,000.00** for each violation. With respect to  
 6 filings made under chapters 21, 22, 23, 24, and 26, "violation"  
 7 means a filing not in compliance with ~~the provisions of those~~  
 8 chapters and does not include an action with respect to an  
 9 individual policy based ~~upon~~ **ON** a noncomplying filing. An order of  
 10 the ~~commissioner~~ **DIRECTOR** under this subdivision ~~shall~~ **MUST** not  
 11 require the payment of civil fines exceeding ~~\$25,000.00.~~  
 12 **\$50,000.00**. A fine collected under this subdivision ~~shall~~ **MUST** be  
 13 turned over to the state treasurer and credited to the general  
 14 fund.

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

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

23 (3) If a person knowingly violates a cease and desist order  
 24 under this section and has been given notice and an opportunity for  
 25 a hearing held ~~pursuant to Act No. 306 of the Public Acts~~ **UNDER THE**  
 26 **ADMINISTRATIVE PROCEDURES ACT** of 1969, **1969 PA 306, MCL 24.201 TO**  
 27 **24.328**, the ~~commissioner~~ **DIRECTOR** may order a civil fine of

1 ~~\$10,000.00~~ **\$20,000.00** for each violation, or a suspension,  
2 limitation, or revocation of a ~~THE~~ person's license, or both. A  
3 fine collected under this subsection ~~shall~~ **MUST** be turned over to  
4 the state treasurer and credited to the general fund.

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

8 Sec. 224. (1) All actual and necessary expenses incurred in  
9 connection with the examination or other investigation of an  
10 insurer or other person regulated under the ~~commissioner's~~  
11 **DIRECTOR'S** authority ~~shall~~ **MUST** be certified by the ~~commissioner,~~  
12 **DIRECTOR**, together with a statement of the work performed including  
13 the number of days spent by the ~~commissioner~~ **DIRECTOR** and each of  
14 the ~~commissioner's~~ **DIRECTOR'S** deputies, assistants, employees, and  
15 others acting under the ~~commissioner's~~ **DIRECTOR'S** authority. If  
16 correct, the expenses ~~shall~~ **MUST** be paid to the persons by whom  
17 they were incurred, ~~upon~~ **ON** the warrant of the state treasurer  
18 payable from appropriations made by the legislature for this  
19 purpose.

20 (2) Except as otherwise provided in subsection (4), the  
21 ~~commissioner~~ **DIRECTOR** shall prepare and present to the insurer or  
22 other person examined or investigated a statement of the expenses  
23 and reasonable cost incurred for each person engaged ~~upon~~ **ON** the  
24 examination or investigation, including amounts necessary to cover  
25 the pay and allowances granted to the persons by the Michigan civil  
26 service commission, and the administration and supervisory expense  
27 including an amount necessary to cover fringe benefits in

1 conjunction with the examination or investigation. Except as  
2 otherwise provided in subsection (4), the insurer or other person,  
3 ~~upon~~**ON** receiving the statement, shall pay to the ~~commissioner~~  
4 **DIRECTOR** the stated amount. The ~~commissioner~~**DIRECTOR** shall deposit  
5 the ~~funds~~**MONEY** with the state treasurer as provided in section  
6 225.

7 (3) The ~~commissioner~~**DIRECTOR** may employ attorneys, actuaries,  
8 accountants, investment advisers, and other expert personnel not  
9 otherwise employees of this state reasonably necessary to assist in  
10 the conduct of the examination or investigation or proceeding with  
11 respect to an insurer or other person regulated under the  
12 ~~commissioner's~~**DIRECTOR'S** authority at the insurer's or other  
13 person's expense except as otherwise provided in subsection (4).  
14 Except as otherwise provided in subsection (4), ~~upon~~**ON**  
15 certification by the ~~commissioner~~**DIRECTOR** of the reasonable  
16 expenses incurred under this section, the insurer or other person  
17 examined or investigated shall pay those expenses directly to the  
18 person or firm rendering assistance to the ~~commissioner~~**DIRECTOR**.  
19 Expenses paid directly to such person or firm and the regulatory  
20 fees imposed by this section ~~shall be~~**ARE** examination expenses  
21 under section 22e of the former single business tax act, 1975 PA  
22 228, or under section 239(1) of the Michigan business tax act, 2007  
23 PA 36, MCL 208.1239.

24 (4) An insurer is subject to a regulatory fee instead of the  
25 costs and expenses provided for in subsections (2) and (3). By June  
26 30 of each year or within 30 days after the enactment into law of  
27 any appropriation for the ~~insurance bureau's~~**DEPARTMENT'S**

1 operation, the ~~commissioner~~**DIRECTOR** shall impose ~~upon~~**ON** all  
2 insurers authorized to do business in this state a regulatory fee  
3 calculated as follows:

4 (a) As used in this subsection:

5 (i) "A" means total annuity considerations written in this  
6 state in the ~~immediately~~-preceding year.

7 (ii) "B" means base assessment rate. The base assessment rate  
8 ~~shall~~**MUST** not exceed .00038 and ~~shall~~**MUST** be a fraction, the  
9 numerator of which is the total regulatory fee and the denominator  
10 of which is the total amount of direct underwritten premiums  
11 written in this state by all insurers for the ~~immediately~~-preceding  
12 calendar year, as reported to the ~~commissioner~~**DIRECTOR** on the  
13 insurer's annual statements filed with the ~~commissioner~~**DIRECTOR**.

14 (iii) "I" means all direct underwritten premiums other than  
15 life insurance premiums and annuity considerations written in this  
16 state in the ~~immediately~~-preceding year by all insurers.

17 (iv) "L" means all direct underwritten life insurance premiums  
18 written in this state in the ~~immediately~~-preceding year by all life  
19 insurers.

20 (v) Total regulatory fee ~~shall~~**MUST** not exceed 80% of the  
21 gross appropriations for the ~~insurance bureau's~~**DEPARTMENT'S**  
22 operation for a fiscal year and ~~shall~~**MUST** be the difference  
23 between the gross appropriations for the ~~insurance bureau's~~  
24 **DEPARTMENT'S** operation for that current fiscal year and any  
25 restricted revenues, other than the regulatory fee itself, as  
26 identified in the gross appropriation for the ~~insurance bureau's~~  
27 **DEPARTMENT'S** operation.

1 (vi) Direct premiums written in this state do not include any  
 2 amounts that represent claims payments that are made on behalf of,  
 3 or administrative fees that are paid in connection with, any  
 4 administrative service contract, cost-plus arrangement, or any  
 5 other noninsured or self-insured business.

6 (b) Two actual assessment rates ~~shall~~**MUST** be calculated so as  
 7 to distribute 75% of the burden of the regulatory fee shortfall  
 8 created by the exclusion of annuity considerations from the  
 9 assessment base to life insurance and 25% to all other insurance.  
 10 The 2 actual assessment rates ~~shall~~**MUST** be determined as follows:

11 (i)  $L \times B + .75 \times B \times A =$  assessment rate for life  
 12  $L$  insurance.

13 (ii)  $\frac{I \times B + .25 \times B \times A}{I} =$  assessment rate for insurance  
 14  $I$  other than life insurance.

15 (c) Each insurer's regulatory fee ~~shall~~**MUST** be a minimum fee  
 16 of \$250.00 and ~~shall~~**MUST** be determined by multiplying the actual  
 17 assessment rate by the assessment base of that insurer as  
 18 determined by the ~~commissioner~~**DIRECTOR** from the insurer's annual  
 19 statement for the immediately preceding calendar year filed with  
 20 the ~~commissioner~~**DIRECTOR**.

21 (5) Not less than ~~67%~~**55%** of the revenue derived from the  
 22 regulatory fee under subsection (4) ~~shall~~**MAY** be used for the  
 23 regulation of financial conduct of persons regulated under the  
 24 ~~commissioner's~~**DIRECTOR'S** authority and for the regulation of  
 25 persons regulated under the ~~commissioner's~~**DIRECTOR'S** authority  
 26 engaged in the business of health care and health insurance in this  
 27 state.

1           (6) The amount, if any, by which amounts credited to the  
2 ~~commissioner pursuant to~~ **DIRECTOR UNDER** section 225 exceed actual  
3 expenditures ~~pursuant to~~ **UNDER** appropriations for the insurance  
4 bureau's ~~DEPARTMENT'S~~ operation for a fiscal year ~~shall~~ **MUST** be  
5 credited toward the appropriation for the ~~insurance bureau~~  
6 **DEPARTMENT** in the next fiscal year.

7           (7) All money paid into the state treasury by an insurer under  
8 this section ~~shall~~ **MUST** be credited as provided under section 225.

9           (8) ~~A~~ **AN INSURER SHALL NOT TREAT A** regulatory fee under this  
10 section ~~shall not be treated by an insurer as a levy or excise upon~~  
11 **ON** premium but as a regulatory burden that is apportioned in  
12 relation to insurance activity in this state. ~~and~~ **A REGULATORY FEE**  
13 **UNDER THIS SECTION** reflects the insurance regulatory burden on this  
14 state as a result of this insurance activity. A foreign or alien  
15 insurer authorized to do business in this state may consider the  
16 liability required under this section as a burden imposed by this  
17 state in the calculation of the insurer's liability required under  
18 section 476a.

19           (9) An insurer may file with the ~~commissioner~~ **DIRECTOR** a  
20 protest to the regulatory fee imposed not later than 15 days after  
21 receipt of the regulatory fee. The ~~commissioner~~ **DIRECTOR** shall  
22 review the grounds for the protest and ~~shall~~ hold a conference with  
23 the insurer at the insurer's request. The ~~commissioner~~ **DIRECTOR**  
24 shall transmit his or her findings to the insurer with a  
25 restatement of the regulatory fee based ~~upon~~ **ON** the findings.  
26 Statements of regulatory fees to which protests have not been made  
27 and restatements of regulatory fees are due and ~~shall~~ **MUST** be paid



1 not later than 30 days after their receipt. Regulatory fees that  
2 are not paid when due bear interest on the unpaid fee, which ~~shall~~  
3 **MUST** be calculated at 6-month intervals from the date the fee was  
4 due at a rate of interest equal to 1% plus the average interest  
5 rate paid at auctions of 5-year United States treasury notes during  
6 the 6 months ~~immediately~~ preceding July 1 and January 1, as  
7 certified by the state treasurer, and compounded annually, until  
8 the assessment is paid in full. An insurer who fails to pay its  
9 regulatory fee within the prescribed time limits may have its  
10 certificate of authority or license suspended, limited, or revoked  
11 as the ~~commissioner~~-**DIRECTOR** considers warranted until the  
12 regulatory fee is paid. If the ~~commissioner~~-**DIRECTOR** determines  
13 that a regulatory fee or a part of a regulatory fee paid by an  
14 insurer is in excess of the amount legally due and payable, the  
15 amount of the excess ~~shall~~-**MUST** be refunded or, at the insurer's  
16 option, be applied as a credit against the regulatory fee for the  
17 next fiscal year. An overpayment of \$100.00 or less ~~shall~~-**MUST** be  
18 applied as a credit against the insurer's regulatory fee for the  
19 next fiscal year unless the insurer had a \$100.00 or less  
20 overpayment in the immediately preceding fiscal year. If the  
21 insurer had a \$100.00 or less overpayment in the immediately  
22 preceding fiscal year, at the insurer's option, the current fiscal  
23 year overpayment of \$100.00 or less ~~shall~~-**MUST** be refunded.

24 (10) Any amounts stated and presented to or certified,  
25 assessed, or imposed ~~upon~~-**ON** an insurer as provided in subsections  
26 (2), (3), and (4) that are unpaid as of the date that the insurer  
27 is subjected to a delinquency proceeding ~~pursuant to~~-**UNDER** chapter

1 81 ~~shall be~~ **ARE** regarded as an expense of administering the  
2 delinquency proceeding and ~~shall be~~ **ARE** payable as such from the  
3 general assets of the insurer.

4 (11) In addition to the regulatory fee provided in subsection  
5 (4), each insurer that locates records or personnel knowledgeable  
6 about those records outside this state ~~pursuant to~~ **UNDER** section  
7 476a(3) or section 5256 shall reimburse the ~~insurance bureau~~  
8 **DEPARTMENT** for expenses and reasonable costs incurred by the  
9 ~~insurance bureau~~ **DEPARTMENT** as a result of travel and other costs  
10 related to examinations or investigations of those records or  
11 personnel. The reimbursement ~~shall~~ **MUST** not include any costs that  
12 the ~~insurance bureau~~ **DEPARTMENT** would have incurred if the  
13 examination had taken place in this state.

14 (12) As used in this section:

15 (a) "Annuity considerations" means receipts on the sale of  
16 annuities as used in section 22a of the former single business tax  
17 act, 1975 PA 228, or in section 235 of the Michigan business tax  
18 act, 2007 PA 36, MCL 208.1235.

19 (b) "Insurer" means an insurer authorized to do business in  
20 this state and includes nonprofit health care corporations, dental  
21 care corporations, and health maintenance organizations.

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

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

1 (B) ADVISES THE PERSON OF SELECTED IMPORTANT RIGHTS THAT THE  
2 PERSON HAS UNDER CHAPTER 20 THAT SPECIFICALLY RELATE TO AUTOMOBILE  
3 INSURERS AND THE PAYMENT OF BENEFITS BY AUTOMOBILE INSURERS.

4 (C) ALLOWS THE PERSON TO SUBMIT AN EXPLANATION OF THE FACTS OF  
5 THE PERSON'S PROBLEMS WITH THE AUTOMOBILE INSURER.

6 (D) ALLOWS THE PERSON TO SUBMIT ELECTRONICALLY, OR INSTRUCTS  
7 THE PERSON HOW TO PROVIDE PAPER COPIES OF, ANY DOCUMENTATION TO  
8 SUPPORT THE FACTS SUBMITTED UNDER SUBDIVISION (C).

9 (E) EXPLAINS TO THE PERSON THE STEPS THAT THE DEPARTMENT WILL  
10 TAKE AND THAT MAY BE TAKEN AFTER INFORMATION IS SUBMITTED UNDER  
11 THIS SECTION.

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

17 (3) THE DEPARTMENT SHALL MAINTAIN ON ITS INTERNET WEBSITE A  
18 PAGE OR PAGES THAT ALLOW A PERSON TO REPORT FRAUD AND UNFAIR  
19 SETTLEMENT AND CLAIMS PRACTICES.

20 SEC. 271. BY DECEMBER 31 OF 2022 AND EVERY YEAR AFTERWARD  
21 THROUGH 2030, THE DEPARTMENT SHALL REVIEW THE EFFECT OF CHANGES  
22 MADE TO SECTION 3157 BY THE AMENDATORY ACT THAT ADDED THIS SECTION  
23 AND PROVIDE A REPORT TO THE LEGISLATURE ON THE DEPARTMENT'S  
24 FINDINGS.

25 Sec. 1244. (1) If the ~~commissioner~~DIRECTOR finds that a  
26 person has violated this chapter, after an opportunity for a  
27 hearing ~~pursuant to~~UNDER the administrative procedures act of

1 1969, 1969 PA 306, MCL 24.201 to 24.328, the ~~commissioner~~ **DIRECTOR**  
2 shall reduce the findings and decision to writing and shall issue  
3 and cause to be served ~~upon~~ **ON** the person charged with the  
4 violation a copy of the findings and an order requiring the person  
5 to cease and desist from the violation. In addition, the  
6 ~~commissioner~~ **DIRECTOR** may order any of the following:

7 (a) Payment of a civil fine of not more than ~~\$500.00~~ **\$1,000.00**  
8 for each violation. However, if the person knew or reasonably  
9 should have known that he or she was in violation of this chapter,  
10 the ~~commissioner~~ **DIRECTOR** may order the payment of a civil fine of  
11 not more than ~~\$2,500.00~~ **\$5,000.00** for each violation. An order of  
12 the ~~commissioner~~ **DIRECTOR** under this subsection shall ~~shall~~ **MUST** not  
13 require the payment of civil fines exceeding ~~\$25,000.00~~  
14 **\$50,000.00**. A fine collected under this subdivision shall ~~shall~~ **MUST** be  
15 turned over to the state treasurer and credited to the general fund  
16 of ~~the~~ **THIS** state.

17 (b) A refund of any overcharges.

18 (c) That restitution be made to the insured or other claimant  
19 to cover incurred losses, damages, or other harm attributable to  
20 the acts of the person found to be in violation of this chapter.

21 (d) The suspension or revocation of the person's license.

22 (2) The ~~commissioner~~ **DIRECTOR** may by order, after notice and  
23 opportunity for hearing, reopen and alter, modify, or set aside, in  
24 whole or in part, an order issued under this section, if in the  
25 opinion of the ~~commissioner~~ **DIRECTOR** conditions of fact or of law  
26 have changed to require that action, or if the public interest  
27 requires that action.

## Senate Bill No. 1 as amended May 24, 2019

1 (3) If a person knowingly violates a cease and desist order  
 2 under this chapter and has been given notice and an opportunity for  
 3 a hearing held ~~pursuant to~~ **UNDER** the administrative procedures act  
 4 of 1969, 1969 PA 306, MCL 24.201 to 24.328, the ~~commissioner~~  
 5 **DIRECTOR** may order a civil fine of not more than ~~\$10,000.00~~  
 6 **\$20,000.00** for each violation, ~~or~~ a suspension or revocation of the  
 7 person's license, or both. An order issued by the ~~commissioner~~  
 8 ~~pursuant to~~ **DIRECTOR UNDER** this subsection shall ~~shall~~ **MUST** not require  
 9 the payment of civil fines exceeding ~~\$50,000.00.~~ **\$100,000.00**. A  
 10 fine collected under this subsection shall ~~shall~~ **MUST** be turned over to  
 11 the state treasurer and credited to the general fund of ~~the~~ **THIS**  
 12 state.

13 (4) The ~~commissioner~~ **DIRECTOR** may apply to the ~~[circuit court~~  
 14 ~~of Ingham county]~~ **COURT OF CLAIMS]** for an order of the court  
 enjoining a  
 15 violation of this chapter.

16 **SEC. 2013A. (1) THE FAILURE OF AN INSURER TO MATERIALLY COMPLY**  
 17 **WITH SECTION 3107E IS AN UNFAIR METHOD OF COMPETITION AND AN UNFAIR**  
 18 **OR DECEPTIVE ACT OR PRACTICE IN THE BUSINESS OF INSURANCE.**

19 **(2) THIS SECTION DOES NOT AFFECT ANY OTHER RIGHT OF A PERSON**  
 20 **UNDER THIS CHAPTER.**

21 Sec. 2038. (1) If, after opportunity for a hearing held  
 22 ~~pursuant to Act No. 306 of the Public Acts of~~ **UNDER THE**  
 23 **ADMINISTRATIVE PROCEDURES ACT OF 1969, as amended, 1969 PA 306, MCL**  
 24 **24.201 TO 24.328,** the ~~commissioner~~ **DIRECTOR** determines that the  
 25 person complained of has engaged in methods of competition or  
 26 unfair or deceptive acts or practices prohibited by sections 2001  
 27 to 2050, the ~~commissioner~~ **DIRECTOR** shall reduce his **OR HER** findings

1 and decision to writing and shall issue and cause to be served ~~upon~~  
 2 **ON** the person charged with the violation a copy of the findings and  
 3 an order requiring the person to cease and desist from engaging in  
 4 that method of competition, act, or practice. ~~and the commissioner~~  
 5 **THE DIRECTOR** may **ALSO** order any of the following:

6 (a) Payment of a monetary penalty of not more than ~~\$500.00~~  
 7 **\$1,000.00** for each violation but not to exceed an aggregate penalty  
 8 of ~~\$5,000.00, \$10,000.00~~, unless the person knew or reasonably  
 9 should have known he was in violation of this chapter, in which  
 10 case the penalty ~~shall~~ **MUST** not be more than ~~\$2,500.00~~ **\$5,000.00**  
 11 for each violation and ~~shall~~ **MUST** not exceed an aggregate penalty  
 12 of ~~\$25,000.00~~ **\$50,000.00** for all violations committed in a 6-month  
 13 period.

14 (b) Suspension or revocation of the person's license or  
 15 certificate of authority if the person knowingly and persistently  
 16 violated a provision of this chapter.

17 (c) Refund of any overcharges.

18 (2) The filing of a petition for review does not stay  
 19 enforcement of action ~~pursuant to~~ **UNDER** this section, but the  
 20 ~~commissioner~~ **DIRECTOR** may grant, or the appropriate court may  
 21 order, a stay ~~upon~~ **ON** appropriate terms.

22 (3) ~~Until the expiration of~~ **IF A PETITION FOR REVIEW HAS NOT**  
 23 **BEEN FILED WITHIN** the time allowed under section 244, ~~for filing a~~  
 24 ~~petition for review if a petition has not been duly filed within~~  
 25 ~~that time~~ **UNTIL THE TIME FOR FILING THE PETITION EXPIRES** or, if a  
 26 petition for review has been filed within that time, ~~then~~  
 27 transcript of the record in the proceeding has been filed in the

1 circuit court, as hereinafter provided **IN THIS CHAPTER**, the  
 2 ~~commissioner, upon~~ **DIRECTOR, ON** notice and in a manner as he shall  
 3 ~~deem~~ **OR SHE CONSIDERS** proper, may modify or set aside in whole or  
 4 in part an order issued ~~by him~~ under this section.

5 (4) After the expiration of the time allowed for filing a  
 6 petition for review, if a petition has not been ~~duly~~ filed within  
 7 that time, the ~~commissioner~~ **DIRECTOR** may at any time, by order,  
 8 after notice and opportunity for hearing, reopen and alter, modify,  
 9 or set aside, in whole or in part, an order issued ~~by him~~ under  
 10 this section, ~~when~~ **IF** in his ~~his~~ **THE DIRECTOR'S** opinion conditions of  
 11 fact or of law have so changed as to require that action or if  
 12 **REQUIRED BY** the public interest. ~~shall so require.~~

13 Sec. 2040. (1) A person who violates a cease and desist order  
 14 of the ~~commissioner~~ **DIRECTOR** under this chapter while the order is  
 15 in effect, after notice and an opportunity for a hearing and ~~upon~~  
 16 **ON** order of the ~~commissioner, DIRECTOR~~, may be subject to any of  
 17 the following:

18 (a) A monetary penalty of not more than ~~\$10,000.00~~ **\$20,000.00**  
 19 for each violation.

20 (b) Suspension or revocation of the person's license or  
 21 certificate of authority.

22 (2) The filing of a petition for review does not stay  
 23 enforcement ~~pursuant to~~ **UNDER** this section, but the ~~commissioner~~  
 24 **DIRECTOR** may grant, or the appropriate court may order, a stay ~~upon~~  
 25 **ON** appropriate terms.

26 (3) A cease and desist order issued by the ~~commissioner~~  
 27 ~~pursuant to~~ **DIRECTOR UNDER** section 2043 shall ~~shall~~ **MUST** not contain

1 fines or other penalties applicable to acts or omissions ~~occurring~~  
 2 ~~prior to~~ **THAT OCCUR BEFORE** the date of the cease and desist order.

3       Sec. 2069. ~~Any~~ **AN** insurer, agent, solicitor, or ~~any~~ **OTHER**  
 4 person, ~~firm, association, or corporation, violating any of the~~  
 5 ~~provisions of sections~~ **THAT VIOLATES SECTION 2064 and OR 2066 shall**  
 6 ~~be~~ **IS** guilty of a misdemeanor. ~~Upon~~ **ON** conviction of violating  
 7 section 2066, the offender ~~shall~~ **MUST** be sentenced to pay a fine of  
 8 not more than \$100.00 for each violation, or in the discretion of  
 9 the court, to imprisonment in the county jail of the county in  
 10 which the offense is committed. ~~Upon~~ **ON** conviction of violating  
 11 section 2064, the offender ~~shall~~ **MUST** be sentenced to pay a fine of  
 12 not more than ~~\$1,000.00~~ **\$2,000.00** for each violation, or in the  
 13 discretion of the court, to imprisonment in the county jail of the  
 14 county in which the offense is committed.

15       Sec. 2105. (1) ~~No~~ **A** policy of automobile insurance or home  
 16 insurance ~~shall~~ **MUST NOT** be offered, bound, made, issued, delivered  
 17 or renewed in this state ~~on and after January 1, 1981, except in~~  
 18 ~~conformity with~~ **UNLESS THE POLICY CONFORMS TO** this chapter. ~~This~~  
 19 ~~chapter shall not apply to policies of automobile insurance or home~~  
 20 ~~insurance offered, bound, made, issued, delivered or renewed in~~  
 21 ~~this state before January 1, 1981.~~

22       (2) ~~This~~ **EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN SUBSECTION**  
 23 **(4) AND THIS CHAPTER, THIS** chapter ~~shall~~ **DOES** not apply to  
 24 insurance written on a group, franchise, blanket policy, or similar  
 25 basis ~~which~~ **THAT** offers home insurance or automobile insurance to  
 26 all members of the group, franchise plan, or blanket coverage who  
 27 are eligible persons.



1           (3) FOR PURPOSES OF THIS SECTION, A GROUP PLAN INCLUDES A  
2 FRANCHISE PLAN, AND, EXCEPT AS PROVIDED IN SUBSECTION (4), IS  
3 EXEMPT FROM THIS CHAPTER IF THE GROUP MEETS ALL OF THE FOLLOWING  
4 CRITERIA:

5           (A) INDIVIDUALS IN THE GROUP SHARE A COMMON ENTERPRISE OR AN  
6 ECONOMIC OR SOCIAL AFFINITY OR RELATIONSHIP.

7           (B) THE GROUP WAS NOT CREATED FOR THE PURPOSES OF OBTAINING  
8 INSURANCE.

9           (C) MEMBERSHIP IN THE GROUP IS NOT CONDITIONED ON THE PURCHASE  
10 OF INSURANCE.

11           (D) THE INDIVIDUAL MEMBERS OF THE GROUP CAN BE SPECIFICALLY  
12 IDENTIFIED.

13           (E) ANY OTHER CRITERIA AS PRESCRIBED BY A RULE PROMULGATED BY  
14 THE DIRECTOR UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969  
15 PA 306, MCL 24.201 TO 24.328.

16           (4) AN INSURER, INCLUDING, BUT NOT LIMITED TO, AN INSURER THAT  
17 WRITES INSURANCE AS DESCRIBED IN SUBSECTION (2), SHALL NOT  
18 ESTABLISH OR MAINTAIN RATES OR RATING CLASSIFICATIONS FOR  
19 AUTOMOBILE INSURANCE BASED ON A FACTOR THAT IS NOT ALLOWED, OR THAT  
20 IS PROHIBITED, UNDER SECTION 2111. THIS SUBSECTION DOES NOT  
21 PROHIBIT A GROUP DISCOUNT OFFERED TO A GROUP BASED ON THE LOSSES OR  
22 EXPENSES, OR BOTH, OF THE GROUP BUT DOES PROHIBIT GROUP MEMBERSHIP  
23 BASED ON HOME OWNERSHIP OR POSTAL ZONE.

24           (5) THE AMENDMENTS TO THIS CHAPTER MADE BY THE AMENDATORY ACT  
25 THAT ADDED THIS SUBSECTION APPLY TO AN INSURER EXEMPTED FROM ANY OF  
26 THE REQUIREMENTS OF THIS CHAPTER UNDER SECTION 2129.

27           (6) THE AMENDMENTS TO THIS CHAPTER MADE BY THE AMENDATORY ACT

1 **THAT ADDED THIS SUBSECTION APPLY BEGINNING JULY 1, 2020.**

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

5       **(2) SUBJECT TO SECTION 2108(6), AN INSURER SHALL FILE RATES**  
6 **WITH THE DEPARTMENT FOR APPROVAL IN COMPLIANCE WITH THIS ACT.**

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

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

13       Sec. 2108. (1) On the effective date of a manual of  
14 classification, manual of rules and rates, rating plan, or  
15 modification of a manual of classification, manual of rules and  
16 rates, or rating plan that an insurer proposes to use for  
17 ~~automobile insurance or home insurance, the insurer shall file the~~  
18 manual or plan with the director. **FOR AUTOMOBILE INSURANCE, AN**  
19 **INSURER SHALL FILE A MANUAL OR PLAN DESCRIBED IN THIS SUBSECTION IN**  
20 **ACCORDANCE WITH SUBSECTION (6).** Each filing under this subsection  
21 must state the character and extent of the coverage contemplated.  
22 An insurer that is subject to this chapter and that maintains rates  
23 in any part of this state shall at all times maintain rates in  
24 effect for all eligible persons meeting the underwriting criteria  
25 of the insurer.

26       (2) An insurer may satisfy its obligation to make filings  
27 under subsection (1) by becoming a member of, or a subscriber to, a

1 rating organization licensed under chapter 24 or chapter 26 that  
2 makes the filings, and by filing with the director a copy of its  
3 authorization of the rating organization to make the filings on its  
4 behalf. This chapter does not require an insurer to become a member  
5 of or a subscriber to a rating organization. An insurer may file  
6 and use deviations from filings made on its behalf. The deviations  
7 are subject to this chapter.

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

12 (4) A filing under this section must include information that  
13 supports the filing with respect to the requirements of section  
14 2109. The information may include 1 or more of the following:

15 (a) The experience or judgment of the insurer or rating  
16 organization making the filing.

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

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

20 (d) Any other relevant information.

21 (5) Except as otherwise provided in this subsection, the  
22 department shall make a filing under this section and any  
23 accompanying information open to public inspection on filing. An  
24 insurer or a rating organization filing on the insurer's behalf may  
25 designate information included in the filing or any accompanying  
26 information as a trade secret. The insurer or the rating  
27 organization filing on behalf of the insurer shall demonstrate to

1 the director that the designated information is a trade secret. If  
2 the director determines that the information is a trade secret, the  
3 information is not subject to public inspection and is exempt from  
4 **DISCLOSURE UNDER** the freedom of information act, 1976 PA 442, MCL  
5 15.231 to 15.246. As used in this subsection, "trade secret" means  
6 that term as defined in section 2 of the uniform trade secrets act,  
7 1998 PA 448, MCL 445.1902. However, trade secret does not include  
8 filings and information accompanying filings under this section  
9 that were subject to public inspection before ~~the effective date of~~  
10 ~~the amendatory act that added this sentence.~~ **JANUARY 11, 2016.**

11           **(6) FOR AUTOMOBILE INSURANCE, AN INSURER SHALL FILE A MANUAL**  
12 **OR PLAN IN ACCORDANCE WITH CHAPTER 24, EXCEPT THAT THE MANUAL OR**  
13 **PLAN MUST REMAIN ON FILE FOR A WAITING PERIOD OF 90 DAYS BEFORE IT**  
14 **BECOMES EFFECTIVE, WHICH PERIOD MAY NOT BE EXTENDED BY THE**  
15 **DIRECTOR, AND THE WAITING PERIOD APPLIES REGARDLESS OF WHETHER**  
16 **SUPPORTING INFORMATION IS REQUIRED BY THE DIRECTOR UNDER SECTION**  
17 **2406(1). UPON WRITTEN APPLICATION BY THE INSURER, THE DIRECTOR MAY**  
18 **AUTHORIZE A FILING THAT HE OR SHE HAS REVIEWED TO BECOME EFFECTIVE**  
19 **BEFORE EXPIRATION OF THE WAITING PERIOD.**

20           **(7) ~~(6)~~**An insurer shall not make, issue, or renew a contract  
21 or policy except in accordance with filings that are in effect for  
22 the insurer under this chapter.

23           **(8) A FILING UNDER THIS CHAPTER MUST SPECIFY THAT THE INSURER**  
24 **WILL NOT REFUSE TO INSURE, REFUSE TO CONTINUE TO INSURE, OR LIMIT**  
25 **THE AMOUNT OF COVERAGE AVAILABLE BECAUSE OF THE LOCATION OF THE**  
26 **RISK, AND THAT THE INSURER RECOGNIZES THOSE PRACTICES TO CONSTITUTE**  
27 **REDLINING. AN INSURER SHALL NOT ENGAGE IN REDLINING AS DESCRIBED IN**

1 **THIS SUBSECTION.**

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

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

11           (a) With respect to all automobile insurance coverages:

12           (i) Either the age of the driver; the length of driving  
13 experience; or the number of years licensed to operate a motor  
14 vehicle.

15           (ii) Driver primacy, based on the proportionate use of each  
16 vehicle insured under the policy by individual drivers insured or  
17 to be insured under the policy.

18           (iii) Average miles driven weekly, annually, or both.

19           (iv) Type of use, such as business, farm, or pleasure use.

20           (v) Vehicle characteristics, features, and options, such as  
21 engine displacement, ability of the vehicle and its equipment to  
22 protect passengers from injury, and other similar items, including  
23 vehicle make and model.

24           (vi) Daily or weekly commuting mileage.

25           (vii) Number of cars insured by the insurer or number of  
26 licensed operators in the household. However, number of licensed  
27 operators ~~shall~~**MUST** not be used as an indirect measure of marital

- 1 status.
- 2 (viii) Amount of insurance.
- 3 (b) In addition to the factors prescribed in subdivision (a),  
4 with respect to personal protection insurance coverage:
- 5 (i) Earned income.
- 6 (ii) Number of dependents of income earners insured under the  
7 policy.
- 8 (iii) Coordination of benefits.
- 9 (iv) Use of a safety belt.
- 10 (c) In addition to the factors prescribed in subdivision (a),  
11 with respect to collision and comprehensive coverages:
- 12 (i) The anticipated cost of vehicle repairs or replacement,  
13 which may be measured by age, price, cost new, or value of the  
14 insured automobile, and other factors directly relating to that  
15 anticipated cost.
- 16 (ii) Vehicle make and model.
- 17 (iii) Vehicle design characteristics related to vehicle  
18 damageability.
- 19 (iv) Vehicle characteristics relating to automobile theft  
20 prevention devices.
- 21 (d) With respect to all automobile insurance coverage other  
22 than comprehensive, successful completion by the individual driver  
23 or drivers insured under the policy of an accident prevention  
24 education course that meets the following criteria:
- 25 (i) The course ~~shall~~**MUST** include a minimum of 8 hours of  
26 classroom instruction.
- 27 (ii) The course ~~shall~~**MUST** include, but not be limited to, a

1 review of all of the following:

- 2 (A) The effects of aging on driving behavior.
- 3 (B) The shapes, colors, and types of road signs.
- 4 (C) The effects of alcohol and medication on driving.
- 5 (D) The laws relating to the proper use of a motor vehicle.
- 6 (E) Accident prevention measures.
- 7 (F) The benefits of safety belts and child restraints.
- 8 (G) Major driving hazards.
- 9 (H) Interaction with other highway users, such as

10 motorcyclists, bicyclists, and pedestrians.

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

18 (a) Substantially at-fault accidents.

19 (b) Convictions for, determinations of responsibility for  
20 civil infractions for, or findings of responsibility in probate  
21 court for civil infractions for violations under chapter VI of the  
22 Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750.

23 However, an insured ~~shall~~ **MUST** not be merit rated for a civil  
24 infraction under chapter VI of the Michigan vehicle code, 1949 PA  
25 300, MCL 257.601 to 257.750, for a period of time longer than that  
26 which the secretary of state's office carries points for that  
27 infraction on the insured's motor vehicle record.

1 (4) An insurer shall not establish or maintain rates or rating  
2 classifications for automobile insurance based on ~~sex or marital~~

3 **ANY OF THE FOLLOWING:**

4 (A) **SEX.**

5 (B) **MARITAL** status.

6 (C) **HOME OWNERSHIP.**

7 (D) **EDUCATIONAL LEVEL ATTAINED.**

8 (E) **OCCUPATION.**

9 (F) **THE POSTAL ZONE IN WHICH THE INSURED RESIDES.**

10 (G) **CREDIT SCORE AS PROVIDED IN SECTION 2162.**

11 (5) Notwithstanding other provisions of this chapter,  
12 automobile insurance risks may be grouped by territory.

13 (6) This section does not limit insurers or rating  
14 organizations from establishing and maintaining statistical  
15 reporting territories. This section does not prohibit an insurer  
16 from establishing or maintaining, for automobile insurance, a  
17 premium discount plan for senior citizens in this state who are 65  
18 years of age or older, if the plan is uniformly applied by the  
19 insurer throughout this state. If an insurer has not established  
20 and maintained a premium discount plan for senior citizens, the  
21 insurer shall offer reduced premium rates to senior citizens in  
22 this state who are 65 years of age or older and who drive less than  
23 3,000 miles per year, regardless of statistical data.

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



- 1 (a) Amount and types of coverage.
- 2 (b) Security and safety devices, including locks, smoke  
3 detectors, and similar, related devices.
- 4 (c) Repairable structural defects reasonably related to risk.
- 5 (d) Fire protection class.
- 6 (e) Construction of structure, based on structure size,  
7 building material components, and number of units.
- 8 (f) Loss experience of the insured, based on prior claims  
9 attributable to factors under the control of the insured that have  
10 been paid by an insurer. An insured's failure, after written notice  
11 from the insurer, to correct a physical condition that presents a  
12 risk of repeated loss ~~shall be considered~~ **IS** a factor under the  
13 control of the insured for purposes of this subdivision.
- 14 (g) Use of smoking materials within the structure.
- 15 (h) Distance of the structure from a fire hydrant.
- 16 (i) Availability of law enforcement or crime prevention  
17 services.
- 18 (8) Notwithstanding other provisions of this chapter, home  
19 insurance risks may be grouped by territory.
- 20 (9) An insurer may use factors in addition to those permitted  
21 by this section for insurance if the plan is consistent with the  
22 purposes of this act and reflects reasonably anticipated reductions  
23 or increases in losses or expenses.
- 24 **SEC. 2111F. (1) BEFORE JULY 1, 2020, AN INSURER THAT OFFERS**  
25 **AUTOMOBILE INSURANCE IN THIS STATE SHALL FILE PREMIUM RATES FOR**  
26 **PERSONAL PROTECTION INSURANCE COVERAGE FOR AUTOMOBILE INSURANCE**  
27 **POLICIES EFFECTIVE AFTER JULY 1, 2020.**

1           (2) SUBJECT TO SUBSECTIONS (6) AND (7), THE PREMIUM RATES  
2 FILED AS REQUIRED BY SUBSECTION (1), AND ANY SUBSEQUENT PREMIUM  
3 RATES FILED BY THE INSURER FOR PERSONAL PROTECTION INSURANCE  
4 COVERAGE UNDER AUTOMOBILE INSURANCE POLICIES EFFECTIVE BEFORE JULY  
5 1, 2028, MUST RESULT, AS NEARLY AS PRACTICABLE, IN AN AVERAGE  
6 REDUCTION PER VEHICLE FROM THE PREMIUM RATES FOR PERSONAL  
7 PROTECTION INSURANCE COVERAGE THAT WERE IN EFFECT FOR THE INSURER  
8 ON MAY 1, 2019 AS FOLLOWS:

9           (A) FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION  
10 3107C(1) (A), AN AVERAGE 45% OR GREATER REDUCTION PER VEHICLE.

11           (B) FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION  
12 3107C(1) (B), AN AVERAGE 35% OR GREATER REDUCTION PER VEHICLE.

13           (C) FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION  
14 3107C(1) (C), AN AVERAGE 20% OR GREATER REDUCTION PER VEHICLE.

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

18           (3) FOR A POLICY UNDER WHICH AN ELECTION UNDER SECTION 3107D  
19 HAS BEEN MADE TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION  
20 INSURANCE BENEFITS PAYABLE UNDER SECTION 3107(1) (A), OR FOR A  
21 POLICY TO WHICH AN EXCLUSION UNDER SECTION 3109A(2) APPLIES, THE  
22 PREMIUM RATES FILED UNDER SUBSECTION (1), AND ANY SUBSEQUENT  
23 PREMIUM RATES FILED BY THE INSURER FOR PERSONAL PROTECTION  
24 INSURANCE COVERAGE MUST RESULT IN NO PREMIUM CHARGE FOR COVERAGE  
25 FOR PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER SECTION  
26 3107(1) (A).

27           (4) THE DIRECTOR SHALL REVIEW A FILING SUBMITTED BY AN INSURER

Senate Bill No. 1 as amended May 24, 2019

1 UNDER SUBSECTIONS (1) TO (3) FOR COMPLIANCE WITH THIS SECTION.

2 SUBJECT TO SUBSECTION (7), THE DIRECTOR SHALL DISAPPROVE A FILING  
3 IF AFTER REVIEW THE DIRECTOR DETERMINES THAT THE FILING DOES NOT  
4 RESULT IN THE PREMIUM REDUCTIONS REQUIRED BY SUBSECTIONS (2) AND  
5 (3).

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

11 (6) FOR POLICIES ISSUED [OR RENEWED IN] THE YEAR BEGINNING  
12 JULY 1, 2024

13 AND FOR THE YEAR BEGINNING JULY 1, 2026, AN AUTOMOBILE INSURER THAT  
14 OFFERS AUTOMOBILE INSURANCE IN THIS STATE SHALL MAKE FILINGS  
15 DEMONSTRATING ITS COMPLIANCE WITH THIS SECTION.

16 (7) AT ANY TIME, AN INSURER MAY APPLY TO THE DIRECTOR FOR  
17 APPROVAL TO FILE RATES THAT RESULT IN A LOWER PREMIUM REDUCTION  
18 LEVEL OR AN EXEMPTION FROM THE REQUIREMENTS OF SUBSECTION (2) AND  
19 THE DIRECTOR SHALL APPROVE THE APPLICATION IF THE RATES OTHERWISE  
20 COMPLY WITH THIS ACT AND COMPLIANCE WITH THE PREMIUM REDUCTIONS  
21 REQUIRED BY SUBSECTION (2) WILL RESULT IN ANY OF THE FOLLOWING:

22 (A) THE INSURER REACHING THE COMPANY ACTION LEVEL RISK BASED  
23 CAPITAL.

24 (B) A VIOLATION OF THE FOURTEENTH AMENDMENT OF THE UNITED  
25 STATES CONSTITUTION AS TO THE INSURER. THIS SUBDIVISION DOES NOT  
26 APPLY AFTER JULY 1, 2023.

27 (C) A VIOLATION OF SECTION 17 OF ARTICLE I OF THE STATE  
28 CONSTITUTION OF 1963, AS TO DEPRIVATION OF PROPERTY WITHOUT DUE

Senate Bill No. 1 as amended May 24, 2019

1 PROCESS. THIS SUBDIVISION DOES NOT APPLY AFTER JULY 1, 2023.

2 [(8) AN INSURER SHALL PASS ON, IN FILINGS TO WHICH THIS SECTION  
3 APPLIES, SAVINGS REALIZED FROM THE APPLICATION OF SECTION 3157(2) TO (12)  
4 TO TREATMENT, PRODUCTS, SERVICES, ACCOMMODATIONS, OR TRAINING RENDERED TO  
5 INDIVIDUALS WHO SUFFERED ACCIDENTAL BODILY INJURY FROM MOTOR VEHICLE  
6 ACCIDENTS THAT OCCURRED BEFORE THE EFFECTIVE DATE OF THE AMENDATORY ACT  
7 THAT ADDED THIS SECTION. AN INSURER SHALL PROVIDE THE DIRECTOR WITH ALL  
8 DOCUMENTS AND INFORMATION REQUESTED BY THE DIRECTOR THAT THE DIRECTOR  
9 DETERMINES ARE NECESSARY TO ALLOW THE DIRECTOR TO EVALUATE THE INSURER'S  
10 COMPLIANCE WITH THIS SUBSECTION. AFTER JULY 1, 2022, THE DIRECTOR SHALL  
11 REVIEW ALL RATE FILINGS TO WHICH THIS SECTION APPLIES FOR COMPLIANCE WITH  
12 THIS SUBSECTION.]

13 (9) THIS SECTION DOES NOT PROHIBIT AN INCREASE FOR ANY  
14 INDIVIDUAL INSURANCE POLICY PREMIUM IF THE INCREASE RESULTS FROM  
15 APPLYING RATING FACTORS AS APPROVED UNDER THIS CHAPTER, INCLUDING  
16 THE REQUIREMENTS OF THIS SECTION.

17 (10) AFTER JULY 1, 2020 AND BEFORE JULY 1, 2028, AN INSURER  
18 SHALL NOT ISSUE OR RENEW AN AUTOMOBILE INSURANCE POLICY IN THIS  
19 STATE UNLESS THE PREMIUM RATES FILED BY THE INSURER FOR PERSONAL  
20 PROTECTION INSURANCE COVERAGE ARE APPROVED UNDER THIS SECTION.

21 (11) FOR PURPOSES OF CALCULATING A PERSONAL PROTECTION  
22 INSURANCE PREMIUM OR PREMIUM RATE UNDER THIS SECTION, THE PREMIUM  
23 [MUST] INCLUDE THE CATASTROPHIC CLAIMS ASSESSMENT IMPOSED UNDER  
24 SECTION 3104.

25 (12) IF SUBSECTION (2) OR THE APPLICATION OF SUBSECTION (2) TO  
26 ANY INSURER IS FOUND TO BE INVALID BY A COURT, THE REMAINING  
27 PORTIONS OF THE AMENDATORY ACT THAT ADDED THIS SECTION ARE NOT

1 SEVERABLE AND SHALL BE DEEMED INVALID AND INOPERABLE.

2 (13) AS USED IN THIS SECTION:

3 (A) "AUTHORIZED CONTROL LEVEL RBC" MEANS THE NUMBER DETERMINED  
4 UNDER THE RISK-BASED CAPITAL FORMULA IN ACCORDANCE WITH THE RBC  
5 REPORT, INCLUDING RISK-BASED CAPITAL INSTRUCTIONS ADOPTED BY THE  
6 NATIONAL ASSOCIATION OF INSURANCE COMMISSIONERS AND THE DIRECTOR.

7 (B) "COMPANY ACTION LEVEL RISK BASED CAPITAL" MEANS 2 TIMES  
8 THE INSURER'S AUTHORIZED CONTROL LEVEL RBC.

9 (C) "RBC REPORT" MEANS THE REPORT OF THE INSURER'S RBC LEVELS  
10 AS REQUIRED BY THE ANNUAL STATEMENT INSTRUCTIONS.

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

18 (2) THIS SECTION ONLY APPLIES TO AN ELIGIBLE PERSON THAT  
19 APPLIES FOR AUTOMOBILE INSURANCE BEFORE JANUARY 1, 2022.

20 Sec. 2118. (1) As a condition of maintaining its certificate  
21 of authority, an insurer shall not refuse to insure, refuse to  
22 continue to insure, or limit coverage available to an eligible  
23 person for automobile insurance, except in accordance with  
24 underwriting rules established pursuant to ~~AS PROVIDED IN~~ this  
25 section and sections 2119 and 2120.

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

1 (a) Criteria identical to the standards set forth in section  
2 2103(1).

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

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

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

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

1 (i) The vehicle is of limited production or of custom  
2 manufacture.

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

5 (iii) The vehicle represents exposure to extraordinary expense  
6 for repair or replacement under comprehensive or collision  
7 coverage.

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

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

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

22 (i) Total abstinence from the consumption of alcoholic  
23 beverages except if such beverages are consumed as part of a  
24 religious ceremony. However, an insurer shall not ~~utilize~~**USE** an  
25 underwriting rule based on this subdivision unless the insurer ~~has~~  
26 ~~been~~**WAS** authorized to transact automobile insurance in this state  
27 ~~prior to~~**BEFORE** January 1, 1981, and has consistently ~~utilized~~**USED**

1 such an underwriting rule as part of the insurer's automobile  
2 insurance underwriting since being authorized to transact  
3 automobile insurance in this state.

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

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

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

24 (3) Underwriting rules under this section ~~shall~~ **MUST** be based  
25 only on the following:

26 (a) With respect to a vehicle insured or to be insured,  
27 substantial modifications from the vehicle's original manufactured



1 state for purposes of increasing the speed or acceleration  
2 capabilities of the vehicle.

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

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

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

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

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

23 Sec. 2151. As used in this chapter:

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

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

7 (c) "Credit information" means any credit-related information  
8 derived from a credit report, found on a credit report itself, or  
9 provided on an application for personal insurance. Information that  
10 is not credit-related ~~shall~~ **MUST** not be considered credit  
11 information, regardless of whether it is contained in a credit  
12 report or in an application, or is used to calculate an insurance  
13 score.

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

20 **(E) "CREDIT SCORE" MEANS THE NUMERICAL SCORE RANGING FROM 300**  
21 **TO 850 ASSIGNED BY A CONSUMER REPORTING AGENCY TO MEASURE CREDIT**  
22 **RISK AND INCLUDES FICO CREDIT SCORE.**

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

1           (G) ~~(f)~~—"Personal insurance" means property/casualty insurance  
 2 written for personal, family, or household use, including  
 3 automobile, home, motorcycle, mobile home, noncommercial dwelling  
 4 fire, boat, personal watercraft, snowmobile, and recreational  
 5 vehicle, whether written on an individual, group, franchise,  
 6 blanket policy, or similar basis.

7           **SEC. 2162. AN INSURER SHALL NOT USE AN INDIVIDUAL'S CREDIT**  
 8 **SCORE TO ESTABLISH OR MAINTAIN RATES OR RATING CLASSIFICATIONS FOR**  
 9 **AUTOMOBILE INSURANCE.**

10           Sec. 3009. (1) ~~An~~ **SUBJECT TO SUBSECTIONS (5) TO (8), AN**  
 11 automobile liability or motor vehicle liability policy ~~insuring~~  
 12 **THAT INSURES** against loss resulting from liability imposed by law  
 13 for property damage, bodily injury, or death suffered by any person  
 14 arising out of the ownership, maintenance, or use of a motor  
 15 vehicle ~~shall~~ **MUST** not be delivered or issued for delivery in this  
 16 state with respect to any motor vehicle registered or principally  
 17 garaged in this state unless the liability coverage is subject to  
 18 all of the following limits:

19           (a) A limit, exclusive of interest and costs, of not less than  
 20 ~~\$20,000.00~~ **\$250,000.00** because of bodily injury to or death of 1  
 21 person in any 1 accident.

22           (b) Subject to the limit for 1 person in subdivision (a), a  
 23 limit of not less than ~~\$40,000.00~~ **\$500,000.00** because of bodily  
 24 injury to or death of 2 or more persons in any 1 accident.

25           (c) A limit of not less than \$10,000.00 because of injury to  
 26 or destruction of property of others in any accident.

27           (2) If authorized by the insured, automobile liability or

1 motor vehicle liability coverage may be excluded when a vehicle is  
2 operated by a named person. An exclusion under this subsection is  
3 not valid unless the following notice is on the face of the policy  
4 or the declaration page or certificate of the policy and on the  
5 certificate of insurance:

6 Warning—when a named excluded person operates a vehicle all  
7 liability coverage is void—no one is insured. Owners of the vehicle  
8 and others legally responsible for the acts of the named excluded  
9 person remain fully personally liable.

10 (3) A liability policy described in subsection (1) may exclude  
11 coverage for liability as provided in section 3017.

12 (4) If an insurer deletes coverages from an automobile  
13 insurance policy pursuant to ~~UNDER~~ section 3101, the insurer shall  
14 send documentary evidence of the deletion to the insured.

15 (5) **AN APPLICANT FOR OR NAMED INSURED IN THE AUTOMOBILE**  
16 **LIABILITY OR MOTOR VEHICLE LIABILITY POLICY DESCRIBED IN SUBSECTION**  
17 **(1) MAY CHOOSE TO PURCHASE LOWER LIMITS THAN REQUIRED UNDER**  
18 **SUBSECTION (1) (A) AND (B), BUT NOT LOWER THAN \$50,000.00 UNDER**  
19 **SUBSECTION (1) (A) AND \$100,000.00 UNDER SUBSECTION (1) (B). TO**  
20 **EXERCISE AN OPTION UNDER THIS SUBSECTION, THE PERSON SHALL COMPLETE**  
21 **A FORM ISSUED BY THE DIRECTOR AND PROVIDED AS REQUIRED BY SECTION**  
22 **3107E, THAT MEETS THE REQUIREMENTS OF SUBSECTION (7).**

23 (6) **ON APPLICATION FOR THE ISSUANCE OF A NEW POLICY OR RENEWAL**  
24 **OF AN EXISTING POLICY, AN INSURER SHALL DO ALL OF THE FOLLOWING:**

25 (A) **PROVIDE THE APPLICANT OR NAMED INSURED THE LIABILITY**  
26 **OPTIONS AVAILABLE UNDER THIS SECTION.**

27 (B) **PROVIDE THE APPLICANT OR NAMED INSURED A PRICE FOR EACH**

Senate Bill No. 1 as amended May 24, 2019

1 OPTION AVAILABLE UNDER THIS SECTION.

2 (C) OFFER THE APPLICANT OR NAMED INSURED THE OPTION AND FORM  
3 UNDER THIS SUBSECTION.

4 (7) THE FORM REQUIRED UNDER SUBSECTION (5) MUST DO ALL OF THE  
5 FOLLOWING:

6 (A) STATE, IN A CONSPICUOUS MANNER, THE RISKS OF CHOOSING  
7 LIABILITY LIMITS LOWER THAN THOSE REQUIRED BY SUBSECTION (1) (A) AND

8 (B) .

9 (B) PROVIDE A WAY FOR THE PERSON TO MARK THE FORM TO  
10 ACKNOWLEDGE THAT HE OR SHE HAS RECEIVED A LIST OF THE LIABILITY  
11 OPTIONS AVAILABLE UNDER THIS SECTION AND THE PRICE FOR EACH OPTION.

12 (C) PROVIDE A WAY FOR THE PERSON TO MARK THE FORM TO  
13 ACKNOWLEDGE THAT HE OR SHE HAS READ THE FORM AND UNDERSTANDS THE  
14 RISKS OF CHOOSING THE LOWER LIABILITY LIMITS.

15 (D) ALLOW THE PERSON TO SIGN THE FORM.

16 (8) IF AN INSURANCE POLICY IS ISSUED OR RENEWED AS DESCRIBED  
17 IN SUBSECTION (1) AND THE PERSON NAMED IN THE POLICY HAS NOT MADE  
18 AN EFFECTIVE CHOICE UNDER SUBSECTION (5), THE LIMITS UNDER  
19 SUBSECTION (1) (A) AND (B) APPLY TO THE POLICY.

20 Sec. 3101. (1) ~~The~~ EXCEPT AS PROVIDED IN SECTIONS 3107D AND  
21 3109A, THE owner or registrant of a motor vehicle required to be  
22 registered in this state shall maintain security for payment of  
23 benefits under personal protection insurance ~~, AND~~ property  
24 protection insurance AS REQUIRED UNDER THIS CHAPTER, and residual  
25 liability insurance. Security is only required to be in effect  
26 during the period the motor vehicle is driven or moved on a  
27 highway. ~~[Notwithstanding any other provision in this act, an~~

Senate Bill No. 1 as amended May 24, 2019

~~1 insurer that has issued an automobile insurance policy on a motor  
2 vehicle that is not driven or moved on a highway may allow the  
3 insured owner or registrant of the motor vehicle to delete a  
4 portion of the coverages under the policy and maintain the  
5 comprehensive coverage portion of the policy in effect.~~

**(2) EXCEPT AS PROVIDED IN SECTION 3107D, ALL AUTOMOBILE INSURANCE POLICIES OFFERED IN THIS STATE MUST INCLUDE BENEFITS UNDER PERSONAL PROTECTION INSURANCE, AND PROPERTY PROTECTION INSURANCE AS PROVIDED IN THIS CHAPTER, AND RESIDUAL LIABILITY INSURANCE. NOTWITHSTANDING ANY OTHER PROVISION IN THIS ACT, AN INSURER THAT HAS ISSUED AN AUTOMOBILE INSURANCE POLICY MAY ONLY DELETE PORTIONS OF THE COVERAGES UNDER THE POLICY AND MAINTAIN THE COMPREHENSIVE COVERAGE PORTION ON A MOTOR VEHICLE THAT IS NOT DRIVEN OR MOVED ON A HIGHWAY IN ACCORDANCE WITH SECTION 3009(4).**

6 ~~(2)(3)~~ As used in this chapter:

7 (a) "Automobile insurance" means that term as defined in  
8 section 2102.

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

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

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

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

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

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

21 (vi) The vehicle is operated by the owner of the vehicle or an  
22 employee of the owner of the vehicle.

23 (c) "Electric bicycle" means that term as defined in section  
24 13e of the Michigan vehicle code, 1949 PA 300, MCL 257.13e.

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

27 (e) "Highway" means highway or street as that term is defined

1 in section 20 of the Michigan vehicle code, 1949 PA 300, MCL  
2 257.20.

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

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

12 (h) "Motorcycle accident" means a loss that involves the  
13 ownership, operation, maintenance, or use of a motorcycle as a  
14 motorcycle, but does not involve the ownership, operation,  
15 maintenance, or use of a motor vehicle as a motor vehicle.

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

20 (i) A motorcycle.

21 (ii) A moped.

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

26 (iv) An ORV.

27 (v) A golf cart.

1 (vi) A power-driven mobility device.

2 (vii) A commercial quadricycle.

3 (viii) An electric bicycle.

4 (j) "Motor vehicle accident" means a loss that involves the  
5 ownership, operation, maintenance, or use of a motor vehicle as a  
6 motor vehicle regardless of whether the accident also involves the  
7 ownership, operation, maintenance, or use of a motorcycle as a  
8 motorcycle.

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

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

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

26 (ii) A person renting a motorcycle or having the use of a  
27 motorcycle under a lease for a period that is greater than 30 days,



## Senate Bill No. 1 as amended May 29, 2019

1 or otherwise for a period that is greater than 30 consecutive days.

2 A person who borrows a motorcycle for a period that is less than 30  
3 consecutive days with the consent of the owner is not an owner  
4 under this subparagraph.

5 (iii) A person that holds the legal title to a motor vehicle  
6 or motorcycle, other than a person engaged in the business of  
7 leasing motor vehicles or motorcycles that is the lessor of a motor  
8 vehicle or motorcycle under a lease that provides for the use of  
9 the motor vehicle or motorcycle by the lessee for a period that is  
10 greater than 30 days.

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

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

17 (n) "Registrant" does not include a person engaged in the  
18 business of leasing motor vehicles or motorcycles that is the  
19 lessor of a motor vehicle or motorcycle under a lease that provides  
20 for the use of the motor vehicle or motorcycle by the lessee for a  
21 period that is longer than 30 days.

22 ~~[-(3)-(4)]~~ Security required by subsection (1) may be provided under  
23 a policy issued by an authorized insurer that affords insurance for  
24 the payment of benefits described in subsection (1). A policy of  
25 insurance represented or sold as providing security is considered  
26 to provide insurance for the payment of the benefits.

27 ~~[-(4)-(5)]~~ Security required by subsection (1) may be provided by any

Senate [Bill No. 1 as amended May 29, 2019](#)

1 other method approved by the secretary of state as affording  
2 security equivalent to that afforded by a policy of insurance, if  
3 proof of the security is filed and continuously maintained with the  
4 secretary of state throughout the period the motor vehicle is  
5 driven or moved on a highway. The person filing the security has  
6 all the obligations and rights of an insurer under this chapter.  
7 When the context permits, "insurer" as used in this chapter,  
8 includes a person that files the security as provided in this  
9 section.

10 ~~[-(5)-(6)]~~ An insurer that issues a policy that provides the security  
11 required under subsection (1) may exclude coverage under the policy  
12 as provided in section 3017.

13 Sec. 3101a. (1) An insurer, in conjunction with the issuance  
14 of an automobile insurance policy, shall provide to the insured 1  
15 certificate of insurance for each insured vehicle and for private  
16 passenger nonfleet automobiles listed on the policy shall supply to  
17 the secretary of state the automobile insurer's name, the name of  
18 the named insured, the named insured's address, the vehicle  
19 identification number for each vehicle listed on the policy, and  
20 the policy number. The insurer shall transmit the information  
21 required under this subsection in a format as required by the  
22 secretary of state. The secretary of state shall not require the  
23 information to be transmitted more frequently than every 14 days.

24 **(2) THE SECRETARY OF STATE SHALL PROVIDE POLICY INFORMATION**  
25 **RECEIVED UNDER SUBSECTION (1) TO THE MICHIGAN AUTOMOBILE INSURANCE**  
26 **PLACEMENT FACILITY AS REQUIRED FOR THE MICHIGAN AUTOMOBILE**  
27 **INSURANCE PLACEMENT FACILITY TO COMPLY WITH THIS ACT. INFORMATION**

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

11 (3) ~~(2)~~—The secretary of state shall provide policy  
12 information received under subsection (1) to the department of  
13 health and human services as required for the department of health  
14 and human services to comply with 2006 PA 593, MCL 550.281 to  
15 550.289.

16 (4) ~~(3)~~—The secretary of state shall accept as proof of  
17 vehicle insurance a transmission of the insured vehicle's vehicle  
18 identification number. Policy information submitted by an insurer  
19 and received by the secretary of state under this section is  
20 confidential, is not subject to the freedom of information act,  
21 1976 PA 442, MCL 15.231 to 15.246, and ~~shall~~**MUST** not be disclosed  
22 to any person except the department of health and human services  
23 for purposes of 2006 PA 593, MCL 550.281 to 550.289, or pursuant to  
24 an order by a court of competent jurisdiction in connection with a  
25 claim or fraud investigation or prosecution. The transmission to  
26 the secretary of state of a vehicle identification number is proof  
27 of insurance to the secretary of state for motor vehicle

1 registration purposes only and is not evidence that a policy of  
2 insurance actually exists between an insurer and an individual.

3 (5) ~~(4)~~—A person who supplies false information to the  
4 secretary of state under this section or who issues or uses an  
5 altered, fraudulent, or counterfeit certificate of insurance is  
6 guilty of a misdemeanor punishable by imprisonment for not more  
7 than 1 year or a fine of not more than \$1,000.00, or both.

8 (6) ~~(5)~~—The department of health and human services shall  
9 report to the senate and house of representatives appropriations  
10 committees and standing committees concerning insurance issues on  
11 the number of claims and total dollar amount recovered from  
12 automobile insurers under 2006 PA 593, MCL 550.281 to 550.289. The  
13 reports required by this subsection must be given to the  
14 appropriations committees and standing committees concerning  
15 insurance issues by December 30 of each year and must cover the  
16 preceding 12-month period.

17 (7) ~~(6)~~—As used in this section:

18 (a) "Automobile insurance" means that term as defined in  
19 section 3303.

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

22 Sec. 3104. (1) ~~An~~ **THE CATASTROPHIC CLAIMS ASSOCIATION IS**  
23 **CREATED AS AN** unincorporated, nonprofit association. ~~to be known as~~  
24 ~~the catastrophic claims association, hereinafter referred to as the~~  
25 ~~association, is created.~~ Each insurer engaged in writing insurance  
26 coverages that provide the security required by section 3101(1)  
27 ~~within~~ **IN** this state, as a condition of its authority to transact

1 insurance in this state, shall be a member of the association and  
2 ~~shall be~~ **IS** bound by the plan of operation of the association. ~~Each~~  
3 **AN** insurer engaged in writing insurance coverages that provide the  
4 security required by section 3103(1) ~~within~~ **IN** this state, as a  
5 condition of its authority to transact insurance in this state,  
6 ~~shall be~~ **IS** considered **TO BE** a member of the association, but only  
7 for purposes of premiums under subsection (7)(d). Except as  
8 expressly provided in this section, the association is not subject  
9 to any laws of this state with respect to insurers, but in all  
10 other respects the association is subject to the laws of this state  
11 to the extent that the association would be if it were an insurer  
12 organized and subsisting under chapter 50.

13 (2) ~~The~~ **FOR ALL MOTOR VEHICLE ACCIDENT POLICIES ISSUED OR**  
14 **RENEWED BEFORE JULY 2, 2020 AND FOR A MOTOR VEHICLE ACCIDENT POLICY**  
15 **ISSUED OR RENEWED AFTER JULY 1, 2020 TO WHICH SECTION 3107C(1)(D)**  
16 **APPLIES, THE** association shall provide and each member shall accept  
17 indemnification for 100% of the amount of ultimate loss sustained  
18 under personal protection insurance coverages in excess of the  
19 following amounts in each loss occurrence:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 Beginning July 1, ~~2013, 2021~~, this ~~\$500,000.00~~ **\$580,000.00** amount  
24 shall ~~shall~~ **MUST** be increased biennially on July 1 of each odd-numbered  
25 year, for policies issued or renewed before July 1 of the following  
26 odd-numbered year, by the lesser of 6% or the ~~consumer price index,~~  
27 **CONSUMER PRICE INDEX**, and rounded to the nearest \$5,000.00. ~~This~~

1 **THE ASSOCIATION SHALL CALCULATE THIS** biennial adjustment ~~shall be~~  
2 ~~calculated by the association by~~ January 1 of the year of its July  
3 1 effective date.

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

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

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

18 (6) If a member has been merged or consolidated into another  
19 insurer or another insurer has reinsured a member's entire business  
20 that provides the security required by section 3101(1) in this  
21 state, the member and successors in interest of the member remain  
22 liable for the member's obligations.

23 (7) The association shall do all of the following on behalf of  
24 the members of the association:

25 (a) Assume 100% of all liability as provided in subsection  
26 (2).

27 (b) Establish procedures by which members ~~shall~~**MUST** promptly

1 report to the association each claim that, on the basis of the  
2 injuries or damages sustained, may reasonably be anticipated to  
3 involve the association if the member is ultimately held legally  
4 liable for the injuries or damages. Solely for the purpose of  
5 reporting claims, the member shall in all instances consider itself  
6 legally liable for the injuries or damages. The member shall also  
7 advise the association of subsequent developments likely to  
8 materially affect the interest of the association in the claim.

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

14 (d) In a manner provided for in the plan of operation,  
15 calculate and charge to members of the association a total premium  
16 sufficient to cover the expected losses and expenses of the  
17 association that the association will likely incur during the  
18 period for which the premium is applicable. The **TOTAL** premium ~~shall~~  
19 **MUST** include an amount to cover incurred but not reported losses  
20 for the period and ~~may~~**MUST** be adjusted for any excess or deficient  
21 premiums from previous periods. Excesses or deficiencies from  
22 previous periods ~~may~~**MUST EITHER** be fully adjusted in a single  
23 period or ~~may be~~ adjusted over several periods in a manner provided  
24 for in the plan of operation. Each member ~~shall~~**MUST** be charged an  
25 amount equal to that member's total written car years of insurance  
26 providing the security required by section 3101(1) or 3103(1), or  
27 both, written in this state during the period to which the premium



1 applies, WITH THE TOTAL WRITTEN CAR YEARS OF INSURANCE multiplied  
2 by the APPLICABLE average premium per car. The average premium per  
3 car shall be IS the total premium, calculated AS ADJUSTED FOR ANY  
4 EXCESSES OR DEFICIENCIES, divided by the total written car years of  
5 insurance providing the security required by section 3101(1) or  
6 3103(1), OR BOTH, written in this state of all members during the  
7 period to which the premium applies, EXCLUDING CARS INSURED UNDER A  
8 POLICY WITH A COVERAGE LIMIT UNDER SECTION 3107C(1) (A), (B), OR  
9 (C), CARS AS TO WHICH AN ELECTION TO NOT MAINTAIN PERSONAL  
10 PROTECTION INSURANCE BENEFITS HAS BEEN MADE UNDER SECTION 3107D, OR  
11 AS TO WHICH AN EXCLUSION UNDER SECTION 3109A(2) APPLIES, EXCEPT FOR  
12 ANY PORTION OF TOTAL PREMIUM THAT IS AN ADJUSTMENT FOR A DEFICIENCY  
13 IN A PREVIOUS PERIOD. A MEMBER MAY NOT BE CHARGED A PREMIUM FOR A  
14 CAR INSURED UNDER A POLICY WITH A COVERAGE LIMIT UNDER SECTION  
15 3107C(1) (A), (B), OR (C), AS TO WHICH AN ELECTION TO NOT MAINTAIN  
16 PERSONAL PROTECTION INSURANCE BENEFITS HAS BEEN MADE UNDER SECTION  
17 3107D, OR AS TO WHICH AN EXCLUSION UNDER SECTION 3109A(2) APPLIES,  
18 OTHER THAN FOR THE PORTION OF THE TOTAL PREMIUM ATTRIBUTABLE TO AN  
19 ADJUSTMENT FOR A DEFICIENCY IN A PREVIOUS PERIOD. A member shall  
20 MUST be charged a premium for a historic vehicle that is insured  
21 with the member of 20% of the premium charged for a car insured  
22 with the member. As used in this subdivision:  
23 ——— (i) "Car" includes a motorcycle but does not include a  
24 historic vehicle.  
25 ——— (ii) "Historic vehicle" means a vehicle that is a registered  
26 historic vehicle under section 803a or 803p of the Michigan vehicle  
27 code, 1949 PA 300, MCL 257.803a and 257.803p.

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

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

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

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

10 (g) Establish procedures for reviewing claims procedures and  
11 practices of members of the association. If the claims procedures  
12 or practices of a member are considered inadequate to properly  
13 service the liabilities of the association, the association may  
14 undertake or may contract with another person, including another  
15 member, to adjust or assist in the adjustment of claims for the  
16 member on claims that create a potential liability to the  
17 association and may charge the cost of the adjustment to the  
18 member.

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

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

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

25 (a) Sue and be sued in the name of the association. A judgment  
26 against the association ~~shall~~ **DOES** not create any direct liability  
27 against the individual members of the association. The association

1 may provide for the indemnification of its members, members of the  
2 board of directors of the association, and officers, employees, and  
3 other persons lawfully acting on behalf of the association.

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

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

10 (d) Pursuant to the plan of operation, adopt reasonable rules  
11 for the administration of the association, enforce those rules, and  
12 delegate authority, as the board considers necessary to assure the  
13 proper administration and operation of the association consistent  
14 with the plan of operation.

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

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

21 (g) Perform other acts not specifically enumerated in this  
22 section that are necessary or proper to accomplish the purposes of  
23 the association and that are not inconsistent with this section or  
24 the plan of operation.

25 (9) A board of directors is created, ~~hereinafter referred to~~  
26 ~~as the board, which shall be responsible for the operation of~~ **AND**  
27 **SHALL OPERATE** the association consistent with the plan of operation

1 and this section.

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

4 (a) The establishment of necessary facilities.

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

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

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

10 **(D) PROCEDURES FOR A REFUND TO MEMBERS OF THE ASSOCIATION, FOR**  
11 **DISTRIBUTION TO INSUREDS AS PROVIDED IN SUBSECTION (24), AS ORDERED**  
12 **BY THE DIRECTOR UNDER SUBSECTION (22). THE PROCEDURES MUST PROVIDE**  
13 **FOR A DISTRIBUTION OF A REFUND ATTRIBUTABLE TO A HISTORIC VEHICLE**  
14 **EQUAL TO 20% OF THE REFUND FOR A CAR THAT IS NOT A HISTORIC**  
15 **VEHICLE.**

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

18 **(F) ~~(e)~~**Reimbursement of each member of the board by the  
19 association for actual and necessary expenses incurred on  
20 association business.

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

22 **(H) ~~(g)~~**Any other matters required by or necessary to  
23 effectively implement this section.

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

1 of a ~~director shall be~~ **BOARD MEMBER IS** 2 years.

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

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

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

20 (15) ~~After the board is appointed, the~~ **THE** board shall meet as  
21 often as the chairperson, the ~~commissioner,~~ **DIRECTOR,** or the plan  
22 of operation ~~shall require,~~ **REQUIRES,** or at the request of any 3  
23 ~~members of the board.~~ **BOARD MEMBERS.** The chairperson ~~shall retain~~  
24 ~~the right to~~ **MAY** vote on all issues. Four ~~members of the board~~  
25 **BOARD MEMBERS** constitute a quorum.

26 (16) ~~An~~ **THE BOARD SHALL FURNISH TO EACH MEMBER OF THE**  
27 **ASSOCIATION AN** annual report of the operations of the association

1 in a form and detail as ~~may be determined by the board. shall be~~  
2 ~~furnished to each member.~~

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

13 ~~—— (18) The plan of operation, unless approved sooner in writing,~~  
14 ~~shall be considered to meet the requirements of this section if it~~  
15 ~~is not disapproved by written order of the commissioner within 30~~  
16 ~~days after the date of its submission. Before disapproval of all or~~  
17 ~~any part of the proposed plan of operation, the commissioner shall~~  
18 ~~notify the board in what respect the plan of operation fails to~~  
19 ~~meet the requirements and objectives of this section. If the board~~  
20 ~~fails to submit a revised plan of operation that meets the~~  
21 ~~requirements and objectives of this section within the 30 day~~  
22 ~~period, the commissioner shall enter an order accordingly and shall~~  
23 ~~immediately formulate and place into effect a plan consistent with~~  
24 ~~the requirements and objectives of this section.~~

25 (17) ~~(19) The proposed plan of operation or ANY~~ amendments to  
26 the plan of operation are subject to majority approval by the  
27 board, ~~ratified~~ **RATIFICATION** by a majority of the membership **OF THE**

1 **ASSOCIATION** having a vote, with voting rights being apportioned  
 2 according to the premiums charged in subsection (7) (d), and ~~are~~  
 3 ~~subject to approval by the commissioner.~~**DIRECTOR.**

4 (18) ~~(20) Upon approval by the commissioner and ratification~~  
 5 ~~by the members of the plan submitted, or upon the promulgation of a~~  
 6 ~~plan by the commissioner, each~~**AN** insurer authorized to write  
 7 insurance providing the security required by section 3101(1) in  
 8 this state, as provided in this section, is bound by and shall  
 9 formally subscribe to and participate in the plan ~~approved~~**OF**  
 10 **OPERATION** as a condition of maintaining its authority to transact  
 11 insurance in this state.

12 (19) ~~(21)~~The association is subject to all the reporting,  
 13 loss reserve, and investment requirements of the ~~commissioner~~  
 14 **DIRECTOR** to the same extent as ~~would~~**IS** a member of the  
 15 association.

16 (20) ~~(22)~~Premiums charged members by the association ~~shall~~  
 17 **MUST** be recognized in the rate-making procedures for insurance  
 18 rates in the same manner that expenses and premium taxes are  
 19 recognized. **IF A MEMBER OF THE ASSOCIATION PASSES ON ANY PORTION OF**  
 20 **THE PREMIUM PAYABLE UNDER THIS SECTION TO AN INSURED, THE AMOUNT**  
 21 **PASSED ON MUST EQUAL THE PORTION OF THE PREMIUM PAYABLE BY THE**  
 22 **MEMBER UNDER THIS SECTION ATTRIBUTABLE TO THE CAR OR HISTORIC**  
 23 **VEHICLE INSURED, INCLUDING ANY ADJUSTMENTS FOR EXCESSES OR**  
 24 **DEFICIENCIES FROM A PREVIOUS PERIOD.**

25 (21) ~~(23)~~The ~~commissioner~~**DIRECTOR** or an authorized  
 26 representative of the ~~commissioner~~**DIRECTOR** may visit the  
 27 association at any time and examine any and all **OF** the

Senate Bill No. 1 as amended May 24, 2019

1 association's affairs. BEGINNING JULY 1, 2022, AND EVERY THIRD YEAR  
2 AFTER [2022], THE DIRECTOR SHALL ENGAGE 1 OR MORE INDEPENDENT  
3 ACTUARIES TO EXAMINE THE AFFAIRS AND RECORDS OF THE ASSOCIATION FOR  
4 THE PREVIOUS 3 YEARS. THE ACTUARIAL EXAMINATION MUST BE CONDUCTED  
5 USING SOUND ACTUARIAL PRINCIPLES CONSISTENT WITH THE APPLICABLE  
6 STATEMENTS OF PRINCIPLES AND THE CODE OF PROFESSIONAL CONDUCT  
7 ADOPTED BY THE CASUALTY ACTUARIAL SOCIETY. BY SEPTEMBER 1, [2022] AND  
8 BY SEPTEMBER 1 OF EVERY THIRD YEAR AFTER [2022], THE DIRECTOR SHALL  
9 PROVIDE A REPORT TO THE LEGISLATURE ON THE RESULTS OF THE AUDIT  
10 CONDUCTED UNDER THIS SUBSECTION.

11 (22) IF THE ACTUARIAL EXAMINATION UNDER SUBSECTION (21) SHOWS  
12 THAT THE ASSETS OF THE ASSOCIATION EXCEED 120% OF ITS LIABILITIES,  
13 INCLUDING INCURRED BUT NOT REPORTED LIABILITIES, AND IF THE REFUND  
14 WILL NOT THREATEN THE ASSOCIATION'S ONGOING ABILITY TO PROVIDE  
15 REIMBURSEMENTS FOR PERSONAL PROTECTION INSURANCE BENEFITS BASED ON  
16 SOUND ACTUARIAL PRINCIPLES CONSISTENT WITH THE APPLICABLE  
17 STATEMENTS OF PRINCIPLES AND THE CODE OF PROFESSIONAL CONDUCT  
18 ADOPTED BY THE CASUALTY ACTUARIAL SOCIETY, THE DIRECTOR SHALL ORDER  
19 THE ASSOCIATION TO REFUND AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN  
20 THE TOTAL EXCESS AND 120% OF THE LIABILITIES OF THE ASSOCIATION,  
21 INCLUDING INCURRED BUT NOT REPORTED LIABILITIES, UNDER SUBSECTION  
22 (10) (D) AND ORDER THE MEMBERS OF THE ASSOCIATION TO DISTRIBUTE THE  
23 REFUNDS UNDER SUBSECTION (24).

24 (23) WITHIN 30 DAYS AFTER RECEIVING AN ORDER FROM THE DIRECTOR  
25 UNDER SUBSECTION (22), THE ASSOCIATION MAY REQUEST A HEARING TO  
26 REVIEW THE ORDER BY FILING A WRITTEN REQUEST WITH THE DIRECTOR. THE  
27 DEPARTMENT SHALL CONDUCT THE REVIEW AS A CONTESTED CASE UNDER THE



1 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO  
2 24.328.

3 (24) A MEMBER OF THE ASSOCIATION SHALL DISTRIBUTE ANY REFUND  
4 IT RECEIVES UNDER SUBSECTION (10)(D) TO THE PERSONS THAT IT INSURES  
5 UNDER POLICIES THAT PROVIDE THE SECURITY REQUIRED UNDER SECTION  
6 3101(1) OR 3103(1), OR BOTH, AND THAT ARE SUBJECT TO A PREMIUM  
7 UNDER THIS SECTION ON A UNIFORM BASIS PER CAR AND HISTORIC VEHICLE  
8 IN A MANNER AND ON THE DATE OR DATES PROVIDED BY THE DIRECTOR IN  
9 ACCORDANCE WITH AN ORDER ISSUED BY THE DIRECTOR. A REFUND  
10 ATTRIBUTABLE TO A HISTORIC VEHICLE MUST BE EQUAL TO 20% OF THE  
11 REFUND FOR A CAR THAT IS NOT A HISTORIC VEHICLE.

12 (25) BY SEPTEMBER 1 OF EACH YEAR, THE ASSOCIATION SHALL  
13 PREPARE, SUBMIT TO THE COMMITTEES OF THE SENATE AND HOUSE OF  
14 REPRESENTATIVES WITH JURISDICTION OVER INSURANCE MATTERS, AND POST  
15 ON THE ASSOCIATION WEBSITE AN ANNUAL CONSUMER STATEMENT, WRITTEN IN  
16 A MANNER INTENDED FOR THE GENERAL PUBLIC. THE STATEMENT MUST  
17 INCLUDE ALL OF THE FOLLOWING:

18 (A) THE NUMBER OF CLAIMS OPENED DURING THE PRECEDING 12  
19 MONTHS, THE AMOUNT EXPENDED ON THE CLAIMS, AND THE FUTURE  
20 ANTICIPATED COSTS OF THE CLAIMS.

21 (B) FOR EACH OF THE PRECEDING 10 YEARS, THE TOTAL NUMBER OF  
22 OPEN CLAIMS, THE AMOUNT EXPENDED ON THE CLAIMS, AND THE ANTICIPATED  
23 FUTURE COSTS OF THE CLAIMS.

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

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

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

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

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

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

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

14 (J) THE TOTAL AMOUNT OF THE ASSOCIATION'S DISCOUNTED AND  
15 UNDISCOUNTED LIABILITIES AND A DESCRIPTION AND EXPLANATION OF THE  
16 LIABILITIES, INCLUDING AN EXPLANATION OF THE ASSOCIATION'S  
17 DEFINITION OF THE TERMS DISCOUNTED AND UNDISCOUNTED.

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

19 (L) A STATEMENT EXPLAINING WHAT PORTION OF THE ASSESSMENT TO  
20 INSUREDS AS RECOGNIZED IN RATES UNDER SUBSECTION (20) IS  
21 ATTRIBUTABLE TO CLAIMS OCCURRING IN THE PREVIOUS 12 MONTHS,  
22 ADMINISTRATIVE COSTS, AND THE AMOUNT, IF ANY, TO ADJUST FOR PAST  
23 DEFICITS.

24 (M) A STATEMENT EXPLAINING ANY QUALIFICATIONS IDENTIFIED BY  
25 THE INDEPENDENT AUDITORS IN THE MOST RECENT AUDIT REPORT PREPARED  
26 UNDER SUBSECTION (21).

27 (N) A LOSS PAYMENT SUMMARY FOR EACH OF THE PRECEDING YEARS BY

1 CATEGORY.

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

7 (P) A SUMMARY OF INVESTMENT RETURNS OVER THE PRECEDING 10  
8 YEARS SHOWING THE INVESTMENT BALANCE, THE INVESTMENT GAIN, AND THE  
9 PERCENTAGE RETURN ON THE INVESTMENT BALANCE.

10 (Q) A SUMMARY OF THE MORTALITY ASSUMPTIONS USED IN MAKING COST  
11 PROJECTIONS.

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

15 (26) BY SEPTEMBER 1 OF EACH YEAR, THE ASSOCIATION SHALL  
16 PREPARE AND PROVIDE TO THE COMMITTEES OF THE SENATE AND HOUSE OF  
17 REPRESENTATIVES WITH JURISDICTION OVER INSURANCE MATTERS AN ANNUAL  
18 REPORT OF THE ASSOCIATION. THE REPORT MUST CONTAIN ALL OF THE  
19 FOLLOWING:

20 (A) AN EXECUTIVE SUMMARY.

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

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

25 (D) THE ANNUAL CONSUMER STATEMENT PREPARED UNDER SUBSECTION

26 (25).

27 (E) ANYTHING ELSE THE ASSOCIATION DETERMINES IS NECESSARY TO

1 ADVISE THE LEGISLATURE ABOUT THE OPERATIONS OF THE ASSOCIATION.

2 (27) ~~(24)~~—The association does not have liability for losses  
 3 occurring before July 1, 1978. **AFTER JULY 1, 2020, THE ASSOCIATION**  
 4 **DOES NOT HAVE LIABILITY FOR AN ULTIMATE LOSS UNDER PERSONAL**  
 5 **PROTECTION INSURANCE COVERAGE FOR A MOTOR VEHICLE ACCIDENT POLICY**  
 6 **TO WHICH A LIMIT UNDER SECTION 3107C(1) (A), (B), OR (C) IS**  
 7 **APPLICABLE.**

8 (28) ~~(25)~~—As used in this section:

9 (A) "ASSOCIATION" MEANS THE CATASTROPHIC CLAIMS ASSOCIATION  
 10 CREATED IN SUBSECTION (1).

11 (B) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE ASSOCIATION  
 12 CREATED IN SUBSECTION (9).

13 (C) "CAR" INCLUDES A MOTORCYCLE BUT DOES NOT INCLUDE A  
 14 HISTORIC VEHICLE.

15 (D) ~~(a)~~—"Consumer price index"—**PRICE INDEX** means the  
 16 percentage of change in the ~~consumer price index~~—**CONSUMER PRICE**  
 17 **INDEX** for all urban consumers in the United States city average for  
 18 all items for the 24 months ~~prior to~~—**BEFORE** October 1 of the year  
 19 ~~prior to~~—**BEFORE** the July 1 effective date of the biennial  
 20 adjustment under subsection ~~(2) (k)~~—**(2) (O)** as reported by the United  
 21 States ~~department of labor, bureau of labor statistics,~~—**DEPARTMENT**  
 22 **OF LABOR, BUREAU OF LABOR STATISTICS,** and as certified by the  
 23 ~~commissioner.~~—**DIRECTOR.**

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

27 (F) ~~(b)~~—"Motor vehicle accident policy" means a policy

1 providing the coverages required under section 3101(1).

2 (G) ~~(e)~~—"Ultimate loss" means the actual loss amounts that a  
3 member is obligated to pay and that are paid or payable by the  
4 member, and do not include claim expenses. An ultimate loss is  
5 incurred by the association on the date that the loss occurs.

6 Sec. 3107. (1) ~~Except as provided in subsection (2),~~ **SUBJECT**  
7 **TO THE EXCEPTIONS AND LIMITATIONS IN THIS CHAPTER, AND SUBJECT TO**  
8 **CHAPTER 31A,** personal protection insurance benefits are payable for  
9 the following:

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

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

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

21 (b) Work loss consisting of loss of income from work an  
22 injured person would have performed during the first 3 years after  
23 the date of the accident if he or she had not been injured. Work  
24 loss does not include any loss after the date on which the injured  
25 person dies. Because the benefits received from personal protection  
26 insurance for loss of income are not taxable income, the benefits  
27 payable for ~~such~~ **THE** loss of income ~~shall~~ **MUST** be reduced 15%

1 unless the claimant presents to the insurer in support of his or  
2 her claim reasonable proof of a lower value of the income tax  
3 advantage in his or her case, in which case the lower value shall  
4 apply. ~~MUST BE APPLIED~~. For the period beginning October 1, 2012  
5 through September 30, 2013, the benefits payable for work loss  
6 sustained in a single 30-day period and the income earned by an  
7 injured person for work during the same period together shall ~~MUST~~  
8 not exceed \$5,189.00, which maximum shall apply ~~MUST BE APPLIED~~ pro  
9 rata to any lesser period of work loss. Beginning October 1, 2013,  
10 the maximum shall ~~MUST~~ be adjusted annually to reflect changes in  
11 the cost of living under rules prescribed by the ~~commissioner~~  
12 **DIRECTOR**, but any change in the maximum shall apply ~~MUST BE APPLIED~~  
13 only to benefits arising out of accidents occurring ~~subsequent to~~  
14 **AFTER** the date of change in the maximum.

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

21 (2) Both of the following apply to personal protection  
22 insurance benefits payable under subsection (1):

23 (a) A person who is 60 years of age or older and in the event  
24 of an accidental bodily injury would not be eligible to receive  
25 work loss benefits under subsection (1)(b) may waive coverage for  
26 work loss benefits by signing a waiver on a form provided by the  
27 insurer. An insurer shall offer a reduced premium rate to a person

1 who waives coverage under this ~~subsection~~ **SUBDIVISION** for work loss  
2 benefits. Waiver of coverage for work loss benefits applies only to  
3 work loss benefits payable to the person or persons who have signed  
4 the waiver form.

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

8 **SEC. 3107C. (1) EXCEPT AS PROVIDED IN SECTIONS 3107D AND**  
9 **3109A, AND SUBJECT TO SUBSECTION (5), FOR AN INSURANCE POLICY THAT**  
10 **PROVIDES THE SECURITY REQUIRED UNDER SECTION 3101(1) AND IS ISSUED**  
11 **OR RENEWED AFTER JULY 1, 2020, THE APPLICANT OR NAMED INSURED**  
12 **SHALL, IN A WAY REQUIRED UNDER SECTION 3107E AND ON A FORM APPROVED**  
13 **BY THE DIRECTOR, SELECT 1 OF THE FOLLOWING COVERAGE LEVELS FOR**  
14 **PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1)(A):**

15 (A) A LIMIT OF \$50,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE  
16 FOR ANY PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION  
17 3107(1)(A). THE SELECTION OF A LIMIT UNDER THIS SUBDIVISION IS ONLY  
18 AVAILABLE TO AN APPLICANT OR NAMED INSURED IF BOTH OF THE FOLLOWING  
19 APPLY:

20 (i) THE APPLICANT OR NAMED INSURED IS ENROLLED IN MEDICAID, AS  
21 THAT TERM IS DEFINED IN SECTION 3157.

22 (ii) THE APPLICANT'S OR NAMED INSURED'S SPOUSE AND ANY  
23 RELATIVE OF EITHER WHO RESIDES IN THE SAME HOUSEHOLD HAS QUALIFIED  
24 HEALTH COVERAGE, AS THAT TERM IS DEFINED IN SECTION 3107D, IS  
25 ENROLLED IN MEDICAID, OR HAS COVERAGE FOR THE PAYMENT OF BENEFITS  
26 UNDER SECTION 3107(1)(A) FROM AN INSURER THAT PROVIDES THE SECURITY  
27 REQUIRED BY SECTION 3101(1).

1 (B) A LIMIT OF \$250,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE  
2 FOR ANY PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION  
3 3107(1)(A).

4 (C) A LIMIT OF \$500,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE  
5 FOR ANY PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION  
6 3107(1)(A).

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

9 (2) THE FORM REQUIRED UNDER SUBSECTION (1) MUST DO ALL OF THE  
10 FOLLOWING:

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

13 (B) PROVIDE A WAY FOR THE APPLICANT OR NAMED INSURED TO MARK  
14 THE FORM TO ACKNOWLEDGE THAT HE OR SHE HAS READ THE FORM AND  
15 UNDERSTANDS THE OPTIONS AVAILABLE.

16 (C) ALLOW THE APPLICANT OR NAMED INSURED TO MARK THE FORM TO  
17 MAKE THE SELECTION OF COVERAGE LEVEL UNDER SUBSECTION (1).

18 (D) REQUIRE THE APPLICANT OR NAMED INSURED TO SIGN THE FORM.

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

26 (4) IF AN INSURANCE POLICY IS ISSUED OR RENEWED AS DESCRIBED  
27 IN SUBSECTION (1), THE APPLICANT OR NAMED INSURED HAS NOT MADE AN



1 EFFECTIVE SELECTION UNDER SUBSECTION (1), AND A PRESUMPTION UNDER  
2 SUBSECTION (3) DOES NOT APPLY, SUBSECTION (1)(D) APPLIES TO THE  
3 POLICY.

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

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

13 (7) THIS SECTION APPLIES FOR A TRANSPORTATION NETWORK COMPANY  
14 VEHICLE, BUT AN APPLICANT OR NAMED INSURED THAT IS A TRANSPORTATION  
15 NETWORK COMPANY SHALL ONLY SELECT LIMITS UNDER EITHER SUBSECTION  
16 (1)(B), (C), OR (D). AS USED IN THIS SUBSECTION:

17 (A) "TRANSPORTATION NETWORK COMPANY" MEANS THAT TERM AS  
18 DEFINED IN SECTION 2 OF THE LIMOUSINE, TAXICAB, AND TRANSPORTATION  
19 NETWORK COMPANY ACT, 2016 PA 345, MCL 257.2102.

20 (B) "TRANSPORTATION NETWORK COMPANY VEHICLE" MEANS THAT TERM  
21 AS DEFINED IN SECTION 3114.

22 (8) THIS SECTION ALSO APPLIES TO SECURITY REQUIRED UNDER  
23 SECTION 3101(1) THAT IS PROVIDED BY A RENTAL CAR COMPANY CERTIFIED  
24 BY THE DIRECTOR AS A SELF-INSURER UNDER SECTION 3101D. THE DIRECTOR  
25 SHALL PROVIDE A FORM FOR THE RENTAL CAR COMPANY TO PROVIDE TO ALLOW  
26 A CUSTOMER TO MAKE THE SELECTION OF A COVERAGE LEVEL UNDER  
27 SUBSECTION (1)(B), (C), OR (D).

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

5 SEC. 3107D. (1) FOR AN INSURANCE POLICY THAT PROVIDES THE  
6 SECURITY REQUIRED UNDER SECTION 3101(1) AND IS ISSUED OR RENEWED  
7 AFTER JULY 1, 2020, THE APPLICANT OR NAMED INSURED MAY, IN A WAY  
8 REQUIRED UNDER SECTION 3107E AND ON A FORM APPROVED BY THE  
9 DIRECTOR, ELECT TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION  
10 INSURANCE BENEFITS PAYABLE UNDER SECTION 3107(1) (A) IF THE  
11 APPLICANT OR NAMED INSURED IS A QUALIFIED PERSON, AND IF THE  
12 APPLICANT'S OR NAMED INSURED'S SPOUSE AND ANY RELATIVE OF EITHER  
13 THAT RESIDES IN THE SAME HOUSEHOLD HAVE QUALIFIED HEALTH COVERAGE  
14 OR HAVE COVERAGE FOR BENEFITS PAYABLE UNDER SECTION 3107(1) (A) FROM  
15 AN INSURER THAT PROVIDES THE SECURITY REQUIRED BY SECTION 3101(1).

16 (2) AN APPLICANT OR NAMED INSURED SHALL, WHEN REQUESTING  
17 ISSUANCE OR RENEWAL OF A POLICY UNDER SUBSECTION (1), PROVIDE TO  
18 THE INSURER A DOCUMENT FROM THE PERSON THAT PROVIDES THE QUALIFIED  
19 HEALTH COVERAGE STATING THE NAMES OF ALL PERSONS COVERED UNDER THE  
20 QUALIFIED HEALTH COVERAGE.

21 (3) THE FORM REQUIRED UNDER SUBSECTION (1) MUST DO ALL OF THE  
22 FOLLOWING:

23 (A) REQUIRE THE APPLICANT OR NAMED INSURED TO MARK THE FORM TO  
24 CERTIFY WHETHER ALL PERSONS REQUIRED TO BE QUALIFIED PERSONS UNDER  
25 SUBSECTION (1) ARE QUALIFIED PERSONS.

26 (B) DISCLOSE IN A CONSPICUOUS MANNER THAT QUALIFIED PERSONS  
27 ARE NOT OBLIGATED TO BUT MAY PURCHASE COVERAGE FOR PERSONAL

Senate Bill No. 1 as amended May 24, 2019

1 PROTECTION INSURANCE COVERAGE BENEFITS PAYABLE UNDER SECTION  
2 3107(1) (A) .

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

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

7 (E) STATE, IN A CONSPICUOUS MANNER, THAT IF DURING THE TERM OF  
8 THE POLICY THE QUALIFIED HEALTH COVERAGE CEASES, THE PERSON HAS 30  
9 DAYS AFTER THE EFFECTIVE DATE OF THE TERMINATION OF QUALIFIED  
10 HEALTH COVERAGE TO OBTAIN INSURANCE THAT PROVIDES COVERAGE UNDER  
11 SECTION 3107(1) (A) OR THE PERSON WILL BE EXCLUDED FROM ALL PERSONAL  
12 PROTECTION INSURANCE COVERAGE BENEFITS UNDER SECTION 3107(1) (A)  
13 DURING THE PERIOD IN WHICH COVERAGE UNDER THIS SECTION WAS NOT  
14 MAINTAINED.

15 (F) PROVIDE A WAY FOR THE APPLICANT OR NAMED INSURED TO MARK  
16 THE FORM TO ACKNOWLEDGE THAT HE OR SHE HAS READ THE FORM AND  
17 UNDERSTANDS IT AND THAT HE OR SHE UNDERSTANDS THE OPTIONS AVAILABLE  
18 TO HIM OR HER.

19 (G) IF ALL PERSONS REQUIRED TO BE QUALIFIED PERSONS UNDER  
20 SUBSECTION (1) ARE QUALIFIED PERSONS, PROVIDE THE PERSON A WAY TO  
21 MARK THE FORM TO ELECT TO NOT MAINTAIN THE COVERAGE.

22 (H) REQUIRE THE APPLICANT OR NAMED INSURED TO SIGN THE FORM.

23 (4) IF AN INSURANCE POLICY IS ISSUED OR RENEWED AS DESCRIBED  
24 IN SUBSECTION (1) AND THE APPLICANT OR NAMED INSURED HAS NOT MADE  
25 AN EFFECTIVE ELECTION UNDER SUBSECTION (1), THE POLICY IS  
26 CONSIDERED TO PROVIDE PERSONAL PROTECTION BENEFITS UNDER SECTION  
27 [3107C(1) (D)] .

1 (5) AN ELECTION UNDER THIS SECTION APPLIES TO THE APPLICANT OR  
2 NAMED INSURED, THE APPLICANT OR NAMED INSURED'S SPOUSE, A RELATIVE  
3 OF EITHER DOMICILED IN THE SAME HOUSEHOLD, AND ANY OTHER PERSON WHO  
4 WOULD HAVE HAD A RIGHT TO CLAIM PERSONAL PROTECTION INSURANCE  
5 BENEFITS UNDER THE POLICY BUT FOR THE ELECTION.

6 (6) IF, DURING THE TERM OF AN INSURANCE POLICY UNDER WHICH  
7 COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER  
8 SECTION 3107(1) (A) ARE NOT MAINTAINED UNDER THIS SECTION, THE  
9 PERSONS REQUIRED TO HAVE QUALIFIED HEALTH COVERAGE UNDER SUBSECTION  
10 (1) CEASE TO HAVE QUALIFIED HEALTH COVERAGE, ALL OF THE FOLLOWING  
11 APPLY UNDER THIS SUBSECTION:

12 (A) WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF THE TERMINATION  
13 OF QUALIFIED HEALTH COVERAGE, THE NAMED INSURED SHALL OBTAIN  
14 INSURANCE THAT INCLUDES COVERAGE UNDER SECTION 3107(1) (A) .

15 (B) AN INSURER THAT ISSUES POLICIES THAT PROVIDE THE SECURITY  
16 REQUIRED BY SECTION 3101(1) SHALL NOT REFUSE TO PROSPECTIVELY  
17 INSURE, LIMIT COVERAGE AVAILABLE TO, CHARGE A REINSTATEMENT FEE TO,  
18 OR INCREASE THE INSURANCE PREMIUMS FOR A PERSON WHO IS AN ELIGIBLE  
19 PERSON, AS THAT TERM IS DEFINED IN SECTION 2103, SOLELY BECAUSE THE  
20 PERSON PREVIOUSLY FAILED TO OBTAIN INSURANCE THAT PROVIDES COVERAGE  
21 FOR BENEFITS UNDER SECTION 3107(1) (A) IN THE TIME REQUIRED UNDER  
22 SUBDIVISION (A) .

23 (C) IF THE APPLICANT OR NAMED INSURED DOES NOT OBTAIN  
24 INSURANCE AS REQUIRED UNDER SUBDIVISION (A) AND A PERSON TO WHOM  
25 THE ELECTION UNDER THIS SECTION APPLIES AS DESCRIBED IN SUBSECTION  
26 (6) SUFFERS ACCIDENTAL BODILY INJURY ARISING FROM A MOTOR VEHICLE  
27 ACCIDENT, UNLESS THE INJURED PERSON IS ENTITLED TO COVERAGE UNDER

Senate Bill No. 1 as amended May 24, 2019

1 SOME OTHER POLICY, THE INJURED PERSON IS NOT ENTITLED TO BE PAID  
 2 PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1) (A) FOR  
 3 THE INJURY BUT IS ENTITLED TO CLAIM BENEFITS UNDER THE ASSIGNED  
 4 CLAIMS PLAN.

5 (8) AS USED IN THIS SECTION:

6 (A) "CONSUMER PRICE INDEX" MEANS THE MOST COMPREHENSIVE INDEX  
 7 OF CONSUMER PRICES AVAILABLE FOR THIS STATE FROM THE UNITED STATES  
 8 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

9 (B) "QUALIFIED HEALTH COVERAGE" MEANS EITHER OF THE FOLLOWING:

10 (i) OTHER HEALTH OR ACCIDENT COVERAGE TO WHICH BOTH OF THE  
 11 FOLLOWING APPLY:

12 (A) THE COVERAGE DOES NOT EXCLUDE OR LIMIT COVERAGE FOR  
 13 INJURIES RELATED TO MOTOR VEHICLE ACCIDENTS.

14 (B) ANY ANNUAL DEDUCTIBLE FOR THE COVERAGE IS \$6,000.00 OR  
 15 LESS PER INDIVIDUAL. THE DIRECTOR SHALL ADJUST THE AMOUNT IN THIS  
 16 SUB-SUBPARAGRAPH ON JULY 1 OF EACH YEAR BY THE PERCENTAGE CHANGE IN  
 17 THE MEDICAL COMPONENT OF THE CONSUMER PRICE INDEX FOR THE PRECEDING  
 18 CALENDAR YEAR. HOWEVER, THE DIRECTOR SHALL NOT MAKE THE ADJUSTMENT  
 19 UNLESS THE ADJUSTMENT, OR THE TOTAL OF THE ADJUSTMENT AND PREVIOUS  
 20 UNADDED ADJUSTMENTS, IS \$500.00 OR MORE.

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

24 (C) "QUALIFIED PERSON" MEANS A PERSON WHO HAS QUALIFIED HEALTH  
 25 COVERAGE UNDER SUBDIVISION [(B) (ii)].

26 SEC. 3107E. (1) A FORM UNDER SECTION 3009, 3107C, OR 3107D  
 27 MUST BE DELIVERED TO THE APPLICANT OR NAMED INSURED USING 1 OF THE

1 FOLLOWING METHODS:

2 (A) PERSONAL DELIVERY.

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

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

5 (2) A PERSON MUST MAKE A SELECTION UNDER SECTION 3009 OR  
6 3107C, OR AN ELECTION UNDER SECTION 3107D IN 1 OF THE FOLLOWING  
7 WAYS:

8 (A) MARKING AND SIGNING A PAPER FORM.

9 (B) GIVING VERBAL INSTRUCTIONS, IN PERSON OR TELEPHONICALLY,  
10 THAT THE FORM BE MARKED AND SIGNED ON BEHALF OF THE PERSON. TO BE  
11 AN EFFECTIVE SELECTION OR ELECTION, THE VERBAL INSTRUCTIONS MUST BE  
12 RECORDED AND THE RECORDING MAINTAINED BY THE PERSON TO WHOM THE  
13 INSTRUCTIONS WERE GIVEN. IF THERE IS A DISPUTE OVER THE  
14 EFFECTIVENESS OF A SELECTION OR ELECTION UNDER THIS SUBDIVISION,  
15 THERE IS A PRESUMPTION THAT THE SELECTION OR ELECTION WAS NOT  
16 EFFECTIVE AND THE INSURER HAS THE BURDEN OF REBUTTING THE  
17 PRESUMPTION WITH THE RECORDING.

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

21 Sec. 3109a. (1) An insurer ~~providing~~ **THAT PROVIDES** personal  
22 protection insurance benefits under this chapter may offer ~~at~~  
23 ~~appropriately reduced premium rates,~~ deductibles and exclusions  
24 reasonably related to other health and accident coverage on the  
25 insured. Any deductibles and exclusions offered under this section  
26 **MUST BE OFFERED AT A REDUCED PREMIUM THAT REFLECTS REASONABLY**  
27 **ANTICIPATED REDUCTIONS IN LOSSES, EXPENSES, OR BOTH,** are subject to

Senate Bill No. 1 as amended May 24, 2019

1 prior approval by the ~~commissioner~~DIRECTOR, and shall ~~MUST~~ apply  
2 only to benefits payable to the person named in the policy, the  
3 spouse of the insured, and any relative of either domiciled in the  
4 same household.

5 (2) AN INSURER SHALL OFFER TO AN APPLICANT OR NAMED INSURED  
6 THAT SELECTS A PERSONAL PROTECTION BENEFIT LIMIT UNDER SECTION  
7 [3107C(1)(B)] AN EXCLUSION RELATED TO OTHER HEALTH OR ACCIDENT  
8 COVERAGE. ALL OF THE FOLLOWING APPLY TO THAT EXCLUSION:

9 (A) IF THE NAMED INSURED, HIS OR HER SPOUSE, AND ALL RELATIVES  
10 DOMICILED IN THE SAME HOUSEHOLD HAVE ACCIDENT AND HEALTH COVERAGE  
11 THAT WILL COVER INJURIES THAT OCCUR AS THE RESULT OF A MOTOR  
12 VEHICLE ACCIDENT, THE PREMIUM FOR THE PERSONAL PROTECTION INSURANCE  
13 BENEFITS PAYABLE UNDER SECTION 3107(1)(A) UNDER THE POLICY MUST BE  
14 REDUCED BY 100%.

15 (B) IF A MEMBER, BUT NOT ALL MEMBERS, OF THE HOUSEHOLD COVERED  
16 BY THE INSURANCE POLICY HAS HEALTH OR ACCIDENT COVERAGE THAT WILL  
17 COVER INJURIES THAT OCCUR AS THE RESULT OF A MOTOR VEHICLE  
18 ACCIDENT, THE INSURER SHALL OFFER A REDUCED PREMIUM THAT REFLECTS  
19 REASONABLY ANTICIPATED REDUCTIONS IN LOSSES, EXPENSES, OR BOTH. THE  
20 REDUCTION MUST BE IN ADDITION TO THE RATE ROLLBACK REQUIRED BY  
21 SECTION 2111F AND THE SHARE OF THE PREMIUM REDUCTION FOR THE POLICY  
22 ATTRIBUTABLE TO ANY PERSON WITH ACCIDENT AND HEALTH COVERAGE MUST  
23 BE 100%.

24 (C) SUBJECT TO SUBDIVISION (D), A PERSON SUBJECT TO AN  
25 EXCLUSION UNDER THIS SUBSECTION IS NOT ELIGIBLE FOR PERSONAL  
26 PROTECTION BENEFITS UNDER THE INSURANCE POLICY.

27 (D) IF A PERSON SUBJECT TO AN EXCLUSION UNDER THIS SUBSECTION

1 IS NO LONGER COVERED BY THE HEALTH COVERAGE, THE NAMED INSURED  
2 SHALL NOTIFY THE INSURER THAT THE NAMED INSURED OR RESIDENT  
3 RELATIVE IS NO LONGER ELIGIBLE FOR AN EXCLUSION. ALL OF THE  
4 FOLLOWING APPLY UNDER THIS SUBDIVISION:

5 (i) THE NAMED INSURED SHALL, WITHIN 30 DAYS AFTER THE  
6 EFFECTIVE DATE OF THE TERMINATION OF THE HEALTH COVERAGE, OBTAIN  
7 INSURANCE THAT PROVIDES THE SECURITY REQUIRED UNDER SECTION 3101(1)  
8 THAT INCLUDES COVERAGE THAT WAS EXCLUDED UNDER THIS SUBSECTION.

9 (ii) DURING THE PERIOD DESCRIBED IN SUBPARAGRAPH (i), IF ANY  
10 PERSON EXCLUDED SUFFERS ACCIDENTAL BODILY INJURY ARISING FROM A  
11 MOTOR VEHICLE ACCIDENT, THE PERSON IS ENTITLED TO CLAIM BENEFITS  
12 UNDER THE ASSIGNED CLAIMS PLAN.

13 (E) IF THE NAMED INSURED DOES NOT OBTAIN INSURANCE THAT  
14 PROVIDES THE SECURITY REQUIRED UNDER SECTION 3101(1) THAT INCLUDES  
15 THE COVERAGE EXCLUDED UNDER THIS SUBSECTION DURING THE PERIOD  
16 DESCRIBED IN SUBDIVISION (D) (i) AND THE NAMED INSURED OR ANY PERSON  
17 EXCLUDED UNDER THE POLICY SUFFERS ACCIDENTAL BODILY INJURY ARISING  
18 FROM A MOTOR VEHICLE ACCIDENT, UNLESS THE INJURED PERSON IS  
19 ENTITLED TO COVERAGE UNDER SOME OTHER POLICY, THE INJURED PERSON IS  
20 NOT ENTITLED TO BE PAID PERSONAL PROTECTION INSURANCE BENEFITS  
21 UNDER SECTION 3107(1) (A) FOR THE INJURY THAT OCCURRED DURING THE  
22 PERIOD IN WHICH COVERAGE UNDER THIS SECTION WAS EXCLUDED.

23 (3) AN AUTOMOBILE INSURER SHALL NOT REFUSE TO PROSPECTIVELY  
24 INSURE, LIMIT COVERAGE AVAILABLE TO, CHARGE A REINSTATEMENT FEE  
25 FOR, OR INCREASE THE PREMIUMS FOR AUTOMOBILE INSURANCE FOR AN  
26 ELIGIBLE PERSON SOLELY BECAUSE THE PERSON PREVIOUSLY FAILED TO  
27 OBTAIN INSURANCE THAT PROVIDES THE SECURITY REQUIRED UNDER SECTION



1 3101(1) IN THE TIME PERIOD PROVIDED UNDER SUBSECTION (2) (D) (i) .

2 (4) THE AMOUNT OF A PREMIUM REDUCTION UNDER SUBSECTION (1)  
3 MUST APPEAR IN A CONSPICUOUS MANNER IN THE DECLARATIONS FOR THE  
4 POLICY, AND BE EXPRESSED AS A DOLLAR AMOUNT OR A PERCENTAGE.

5 Sec. 3111. Personal protection insurance benefits are payable  
6 for accidental bodily injury suffered in an accident occurring out  
7 of this state, if the accident occurs within the United States, its  
8 territories and possessions, or ~~in~~Canada, and the person whose  
9 injury is the basis of the claim was at the time of the accident a  
10 named insured under a personal protection insurance policy, ~~his~~**THE**  
11 spouse **OF A NAMED INSURED**, a relative of either domiciled in the  
12 same household, or an occupant of a vehicle involved in the  
13 accident, ~~whose~~**IF THE OCCUPANT WAS A RESIDENT OF THIS STATE OR IF**  
14 **THE** owner or registrant **OF THE VEHICLE** was insured under a personal  
15 protection insurance policy or ~~has~~provided security approved by  
16 the secretary of state under ~~subsection (4) of section~~  
17 ~~3101-~~**3101(4)** .

18 Sec. 3112. Personal protection insurance benefits are payable  
19 to or for the benefit of an injured person or, in case of his **OR**  
20 **HER** death, to or for the benefit of his **OR HER** dependents. **A HEALTH**  
21 **CARE PROVIDER LISTED IN SECTION 3157 MAY MAKE A CLAIM AND ASSERT A**  
22 **DIRECT CAUSE OF ACTION AGAINST AN INSURER, OR UNDER THE ASSIGNED**  
23 **CLAIMS PLAN UNDER SECTIONS 3171 TO 3175, TO RECOVER OVERDUE**  
24 **BENEFITS PAYABLE FOR CHARGES FOR PRODUCTS, SERVICES, OR**  
25 **ACCOMMODATIONS PROVIDED TO AN INJURED PERSON.** Payment by an insurer  
26 in good faith of personal protection insurance benefits, to or for  
27 the benefit of a person who it believes is entitled to the

1 benefits, discharges the insurer's liability to the extent of the  
2 payments unless the insurer has been notified in writing of the  
3 claim of some other person. If there is doubt about the proper  
4 person to receive the benefits or the proper apportionment among  
5 the persons entitled ~~thereto,~~ **TO THE BENEFITS**, the insurer, the  
6 claimant, or any other interested person may apply to the circuit  
7 court for an appropriate order. The court may designate the payees  
8 and make an equitable apportionment, taking into account the  
9 relationship of the payees to the injured person and other factors  
10 as the court considers appropriate. In the absence of a court order  
11 directing otherwise the insurer may pay:

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

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

17 Sec. 3113. A person is not entitled to be paid personal  
18 protection insurance benefits for accidental bodily injury if at  
19 the time of the accident any of the following circumstances  
20 existed:

21 (a) The person was willingly operating or willingly using a  
22 motor vehicle or motorcycle that was taken unlawfully, and the  
23 person knew or should have known that the motor vehicle or  
24 motorcycle was taken unlawfully.

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

1 (c) The person was not a resident of this state, **UNLESS THE**  
2 **PERSON OWNED A MOTOR VEHICLE THAT WAS REGISTERED AND INSURED IN**  
3 **THIS STATE.** ~~, was an occupant of a motor vehicle or motorcycle not~~  
4 ~~registered in this state, and the motor vehicle or motorcycle was~~  
5 ~~not insured by an insurer that has filed a certification in~~  
6 ~~compliance with section 3163.~~

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

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

13 Sec. 3114. (1) Except as provided in subsections (2), (3), and  
14 (5), a personal protection insurance policy described in section  
15 3101(1) applies to accidental bodily injury to the person named in  
16 the policy, the person's spouse, and a relative of either domiciled  
17 in the same household, if the injury arises from a motor vehicle  
18 accident. A personal injury insurance policy described in section  
19 3103(2) applies to accidental bodily injury to the person named in  
20 the policy, the person's spouse, and a relative of either domiciled  
21 in the same household, if the injury arises from a motorcycle  
22 accident. If personal protection insurance benefits or personal  
23 injury benefits described in section 3103(2) are payable to or for  
24 the benefit of an injured person under his or her own policy and  
25 would also be payable under the policy of his or her spouse,  
26 relative, or relative's spouse, the injured person's insurer shall  
27 pay all of the benefits **UP TO THE COVERAGE LEVEL APPLICABLE UNDER**

1 **SECTION 3107C TO THE INJURED PERSON'S POLICY**, and is not entitled  
2 to recoument from the other insurer.

3 (2) A person ~~suffering~~**WHO SUFFERS** accidental bodily injury  
4 while an operator or a passenger of a motor vehicle operated in the  
5 business of transporting passengers shall receive the personal  
6 protection insurance benefits to which the person is entitled from  
7 the insurer of the motor vehicle. This subsection does not apply to  
8 a passenger in any of the following, unless the passenger is not  
9 entitled to personal protection insurance benefits under any other  
10 policy:

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

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

15 (c) A bus operating under a government sponsored  
16 transportation program.

17 (d) A bus operated by or providing service to a nonprofit  
18 organization.

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

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

23 (g) A transportation network company vehicle.

24 **(H) A MOTOR VEHICLE INSURED UNDER A POLICY FOR WHICH THE**  
25 **PERSON NAMED IN THE POLICY HAS ELECTED TO NOT MAINTAIN COVERAGE FOR**  
26 **PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107D OR AS TO**  
27 **WHICH AN EXCLUSION UNDER SECTION 3109A(2) APPLIES.**

1 (3) An employee, his or her spouse, or a relative of either  
 2 domiciled in the same household, who suffers accidental bodily  
 3 injury while an occupant of a motor vehicle owned or registered by  
 4 the employer, shall receive personal protection insurance benefits  
 5 to which the employee is entitled from the insurer of the furnished  
 6 vehicle.

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

14 ~~—— (a) The insurer of the owner or registrant of the vehicle~~  
 15 ~~occupied.~~

16 ~~—— (b) The insurer of the operator of the vehicle occupied.~~ **UNDER**  
 17 **THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO 3175. THIS**  
 18 **SUBSECTION DOES NOT APPLY TO A PERSON INSURED UNDER A POLICY FOR**  
 19 **WHICH THE PERSON NAMED IN THE POLICY HAS ELECTED TO NOT MAINTAIN**  
 20 **COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION**  
 21 **3107D OR AS TO WHICH AN EXCLUSION UNDER SECTION 3109(2) APPLIES, OR**  
 22 **WHO IS NOT ENTITLED TO BE PAID PERSONAL PROTECTION BENEFITS UNDER**  
 23 **SECTION 3107D(6) (C) OR 3109A(2) (D) (ii) .**

24 (5) ~~A~~ **SUBJECT TO SUBSECTIONS (6) AND (7), A** person ~~suffering~~  
 25 **WHO SUFFERS** accidental bodily injury arising from a motor vehicle  
 26 accident that shows evidence of the involvement of a motor vehicle  
 27 while an operator or passenger of a motorcycle shall claim personal

1 protection insurance benefits from insurers in the following order  
2 of priority:

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

5 (b) The insurer of the operator of the motor vehicle involved  
6 in the accident.

7 (c) The motor vehicle insurer of the operator of the  
8 motorcycle involved in the accident.

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

11 (6) IF AN APPLICABLE INSURANCE POLICY IN AN ORDER OF PRIORITY  
12 UNDER SUBSECTION (5) IS A POLICY FOR WHICH THE PERSON NAMED IN THE  
13 POLICY HAS ELECTED TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION  
14 INSURANCE BENEFITS UNDER SECTION 3107D, OR AS TO WHICH AN EXCLUSION  
15 UNDER SECTION 3109(2) APPLIES, THE INJURED PERSON SHALL CLAIM  
16 BENEFITS ONLY UNDER OTHER POLICIES, SUBJECT TO SUBSECTION (7), IN  
17 THE SAME ORDER OF PRIORITY FOR WHICH NO SUCH ELECTION HAS BEEN  
18 MADE. IF THERE ARE NO OTHER POLICIES FOR WHICH NO SUCH ELECTION HAS  
19 BEEN MADE, THE INJURED PERSON SHALL CLAIM BENEFITS UNDER THE NEXT  
20 ORDER OF PRIORITY OR, IF THERE IS NOT A NEXT ORDER OF PRIORITY,  
21 UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO 3175.

22 (7) IF PERSONAL PROTECTION INSURANCE BENEFITS ARE PAYABLE  
23 UNDER SUBSECTION (5) UNDER 2 OR MORE INSURANCE POLICIES IN THE SAME  
24 ORDER OF PRIORITY, THE BENEFITS ARE ONLY PAYABLE UP TO AN AGGREGATE  
25 COVERAGE LIMIT THAT EQUALS THE HIGHEST AVAILABLE COVERAGE LIMIT  
26 UNDER ANY 1 OF THE POLICIES.

27 (8) ~~(6)~~ If SUBJECT TO SUBSECTIONS (6) AND (7), IF 2 or more

1 insurers are in the same order of priority to provide personal  
 2 protection insurance benefits under subsection (5), an insurer  
 3 ~~paying~~ **THAT PAYS** benefits due is entitled to partial recoupment  
 4 from the other insurers in the same order of priority, and a  
 5 reasonable amount of partial recoupment of the expense of  
 6 processing the claim, in order to accomplish equitable distribution  
 7 of the loss among all of the insurers.

8 (9) ~~(7)~~—As used in this section:

9 (a) "Personal vehicle", ~~"prearranged ride"~~, and  
 10 "transportation network company digital network", **AND**  
 11 **"TRANSPORTATION NETWORK COMPANY PREARRANGED RIDE"** mean those terms  
 12 as defined in section 2 of the limousine, taxicab, and  
 13 transportation network company act, **2016 PA 345, MCL 257.2102.**

14 (b) "Transportation network company vehicle" means a personal  
 15 vehicle while the driver is logged on to the transportation network  
 16 company digital network or while the driver is engaged in a  
 17 **TRANSPORTATION NETWORK COMPANY** prearranged ride.

18 Sec. 3115. ~~(1)~~—Except as provided in ~~subsection (1) of section~~  
 19 ~~3114, 3114(1)~~, a person ~~suffering~~ **WHO SUFFERS** accidental bodily  
 20 injury while not an occupant of a motor vehicle shall claim  
 21 personal protection insurance benefits ~~from insurers in the~~  
 22 ~~following order of priority:~~ **UNDER THE ASSIGNED CLAIMS PLAN UNDER**  
 23 **SECTIONS 3171 TO 3175.**

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

26 ~~—— (b) Insurers of operators of motor vehicles involved in the~~  
 27 ~~accident.~~

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

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

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

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

20       (a) The issues of whether the injured person has suffered  
21 serious impairment of body function or permanent serious  
22 disfigurement are questions of law for the court if the court finds  
23 either of the following:

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

26       (ii) There is a factual dispute concerning the nature and  
27 extent of the person's injuries, but the dispute is not material to



1 the determination whether the person has suffered a serious  
2 impairment of body function or permanent serious disfigurement.  
3 However, for a closed-head injury, a question of fact for the jury  
4 is created if a licensed allopathic or osteopathic physician who  
5 regularly diagnoses or treats closed-head injuries testifies under  
6 oath that there may be a serious neurological injury.

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

10 (c) Damages ~~shall~~**MUST** not be assessed in favor of a party who  
11 was operating his or her own vehicle at the time the injury  
12 occurred and did not have in effect for that motor vehicle the  
13 security required by section ~~3101~~**3101(1)** at the time the injury  
14 occurred.

15 (3) Notwithstanding any other provision of law, tort liability  
16 arising from the ownership, maintenance, or use within this state  
17 of a motor vehicle with respect to which the security required by  
18 section ~~3101~~**3101(1)** was in effect is abolished except as to:

19 (a) Intentionally caused harm to persons or property. Even  
20 though a person knows that harm to persons or property is  
21 substantially certain to be caused by his or her act or omission,  
22 the person does not cause or suffer that harm intentionally if he  
23 or she acts or refrains from acting for the purpose of averting  
24 injury to any person, including himself or herself, or for the  
25 purpose of averting damage to tangible property.

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

1 (c) Damages for allowable expenses, work loss, and survivor's  
2 loss as defined in sections 3107 to 3110, **INCLUDING ALL FUTURE**  
3 **ALLOWABLE EXPENSES AND WORK LOSS**, in excess of **ANY APPLICABLE LIMIT**  
4 **UNDER SECTION 3107C OR** the daily, monthly, and 3-year limitations  
5 contained in those sections, **OR WITHOUT LIMIT FOR ALLOWABLE**  
6 **EXPENSES IF AN ELECTION TO NOT MAINTAIN THAT COVERAGE WAS MADE**  
7 **UNDER SECTION 3107D OR IF AN EXCLUSION UNDER SECTION 3109A(2)**  
8 **APPLIES**. The party liable for damages is entitled to an exemption  
9 reducing his or her liability by the amount of taxes that would  
10 have been payable on account of income the injured person would  
11 have received if he or she had not been injured.

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

21 (e) Damages up to ~~\$1,000.00~~**\$3,000.00** to a motor vehicle, to  
22 the extent that the damages are not covered by insurance. An action  
23 for damages under this subdivision ~~shall~~**MUST** be conducted as  
24 provided in subsection (4).

25 (4) All of the following apply to an action for damages under  
26 subsection (3)(e):

27 (a) Damages ~~shall~~**MUST** be assessed on the basis of comparative

1 fault, except that damages ~~shall~~**MUST** not be assessed in favor of a  
2 party who is more than 50% at fault.

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

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

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

13 (e) Damages ~~shall~~**MUST** not be assessed if the damaged motor  
14 vehicle was being operated at the time of the damage without the  
15 security required by section ~~3101~~**3101(1)**.

16 (5) As used in this section, "serious impairment of body  
17 function" means an **IMPAIRMENT THAT SATISFIES ALL OF THE FOLLOWING**  
18 **REQUIREMENTS:**

19 (A) **IT IS** objectively manifested, **MEANING IT IS OBSERVABLE OR**  
20 **PERCEIVABLE FROM ACTUAL SYMPTOMS OR CONDITIONS BY SOMEONE OTHER**  
21 **THAN THE INJURED PERSON.**

22 (B) **IT IS AN** impairment of an important body function, ~~that~~  
23 **WHICH IS A BODY FUNCTION OF GREAT VALUE, SIGNIFICANCE, OR**  
24 **CONSEQUENCE TO THE INJURED PERSON.**

25 (C) **IT** affects the **INJURED** person's general ability to lead  
26 his or her normal life, **MEANING IT HAS HAD AN INFLUENCE ON SOME OF**  
27 **THE PERSON'S CAPACITY TO LIVE IN HIS OR HER NORMAL MANNER OF**

1 LIVING. ALTHOUGH TEMPORAL CONSIDERATIONS MAY BE RELEVANT, THERE IS  
2 NO TEMPORAL REQUIREMENT FOR HOW LONG AN IMPAIRMENT MUST LAST. THIS  
3 EXAMINATION IS INHERENTLY FACT AND CIRCUMSTANCE SPECIFIC TO EACH  
4 INJURED PERSON, MUST BE CONDUCTED ON A CASE-BY-CASE BASIS, AND  
5 REQUIRES COMPARISON OF THE INJURED PERSON'S LIFE BEFORE AND AFTER  
6 THE INCIDENT.

7       Sec. 3142. (1) Personal protection insurance benefits are  
8 payable as loss accrues.

9       (2) ~~Personal~~**SUBJECT TO SUBSECTION (3), PERSONAL** protection  
10 insurance benefits are overdue if not paid within 30 days after an  
11 insurer receives reasonable proof of the fact and of the amount of  
12 loss sustained. ~~If~~**SUBJECT TO SUBSECTION (3), IF** reasonable proof  
13 is not supplied as to the entire claim, the amount supported by  
14 reasonable proof is overdue if not paid within 30 days after the  
15 proof is received by the insurer. ~~Any~~**SUBJECT TO SUBSECTION (3),**  
16 **ANY** part of the remainder of the claim that is later supported by  
17 reasonable proof is overdue if not paid within 30 days after the  
18 proof is received by the insurer. For the purpose of calculating  
19 the extent to which benefits are overdue, payment ~~shall~~**MUST** be  
20 treated as made on the date a draft or other valid instrument was  
21 placed in the United States mail in a properly addressed, postpaid  
22 envelope, or, if not so posted, on the date of delivery.

23       (3) **FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION**  
24 **3107(1)(A), IF A BILL FOR THE PRODUCT, SERVICE, ACCOMMODATIONS, OR**  
25 **TRAINING IS NOT PROVIDED TO THE INSURER WITHIN 90 DAYS AFTER THE**  
26 **PRODUCT, SERVICE, ACCOMMODATIONS, OR TRAINING IS PROVIDED, THE**  
27 **INSURER HAS 60 DAYS IN ADDITION TO 30 DAYS PROVIDED UNDER**

1 **SUBSECTION (2) TO PAY BEFORE THE BENEFITS ARE OVERDUE.**

2 (4) ~~(3)~~—An overdue payment bears simple interest at the rate  
3 of 12% per annum.

4 Sec. 3145. (1) An action for recovery of personal protection  
5 insurance benefits payable under this chapter for **AN** accidental  
6 bodily injury may not be commenced later than 1 year after the date  
7 of the accident ~~causing~~ **THAT CAUSED** the injury unless written  
8 notice of injury as provided ~~herein~~ **IN SUBSECTION (4)** has been  
9 given to the insurer within 1 year after the accident or unless the  
10 insurer has previously made a payment of personal protection  
11 insurance benefits for the injury. ~~If~~

12 (2) **SUBJECT TO SUBSECTION (3), IF** the notice has been given or  
13 a payment has been made, the action may be commenced at any time  
14 within 1 year after the most recent allowable expense, work loss,  
15 or survivor's loss has been incurred. However, the claimant may not  
16 recover benefits for any portion of the loss incurred more than 1  
17 year before the date on which the action was commenced.

18 (3) **A PERIOD OF LIMITATIONS APPLICABLE UNDER SUBSECTION (2) TO**  
19 **THE COMMENCEMENT OF AN ACTION AND THE RECOVERY OF BENEFITS IS**  
20 **TOLLED FROM THE DATE OF A SPECIFIC CLAIM FOR PAYMENT OF THE**  
21 **BENEFITS UNTIL THE DATE THE INSURER FORMALLY DENIES THE CLAIM. THIS**  
22 **SUBSECTION DOES NOT APPLY IF THE PERSON CLAIMING THE BENEFITS FAILS**  
23 **TO PURSUE THE CLAIM WITH REASONABLE DILIGENCE.**

24 (4) The notice of injury required by ~~this~~ subsection (1) may  
25 be given to the insurer or any of its authorized agents by a person  
26 claiming to be entitled to benefits ~~therefor~~, **FOR THE INJURY**, or by  
27 someone in ~~his~~ **THE PERSON'S** behalf. The notice ~~shall~~ **MUST** give the

1 name and address of the claimant and indicate in ordinary language  
 2 the name of the person injured and the time, place, and nature of  
 3 ~~his~~**THE PERSON'S** injury.

4 (5) ~~(2)~~An action for recovery of property protection  
 5 insurance benefits ~~shall~~**MAY** not be commenced later than 1 year  
 6 after the accident.

7 Sec. 3148. (1) ~~An~~**SUBJECT TO SUBSECTIONS (4) AND (5), AN**  
 8 attorney is entitled to a reasonable fee for advising and  
 9 representing a claimant in an action for personal or property  
 10 protection insurance benefits ~~which~~**THAT** are overdue. The  
 11 attorney's fee ~~shall be~~**IS** a charge against the insurer in addition  
 12 to the benefits recovered, if the court finds that the insurer  
 13 unreasonably refused to pay the claim or unreasonably delayed in  
 14 making proper payment. **AN ATTORNEY ADVISING OR REPRESENTING AN**  
 15 **INJURED PERSON CONCERNING A CLAIM FOR PAYMENT OF PERSONAL**  
 16 **PROTECTION INSURANCE BENEFITS FROM AN INSURER SHALL NOT CLAIM,**  
 17 **FILE, OR SERVE A LIEN FOR PAYMENT OF A FEE OR FEES UNTIL BOTH OF**  
 18 **THE FOLLOWING APPLY:**

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

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

21 (2) ~~An~~**A COURT MAY AWARD AN** insurer ~~may be allowed by a court~~  
 22 ~~an award of a reasonable sum~~**AMOUNT** against a claimant as an  
 23 ~~attorney's~~**ATTORNEY** fee for the insurer's attorney in ~~defense~~  
 24 **DEFENDING** against a claim that was in some respect fraudulent or so  
 25 excessive as to have no reasonable foundation. **A COURT MAY AWARD AN**  
 26 **INSURER A REASONABLE AMOUNT AGAINST A CLAIMANT'S ATTORNEY AS AN**  
 27 **ATTORNEY FEE FOR DEFENDING AGAINST A CLAIM FOR WHICH THE CLIENT WAS**

1 SOLICITED BY THE ATTORNEY IN VIOLATION OF THE LAWS OF THIS STATE OR  
2 THE MICHIGAN RULES OF PROFESSIONAL CONDUCT.

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

12 (4) FOR A DISPUTE OVER PAYMENT FOR ALLOWABLE EXPENSES UNDER  
13 SECTION 3107(1) (A) FOR ATTENDANT CARE OR NURSING SERVICES, ATTORNEY  
14 FEES MUST NOT BE AWARDED IN RELATION TO FUTURE PAYMENTS ORDERED  
15 MORE THAN 3 YEARS AFTER THE TRIAL COURT JUDGMENT OR ORDER IS  
16 ENTERED. IF ATTENDANT CARE OR NURSING SERVICES ARE SUBSEQUENTLY  
17 SUSPENDED OR TERMINATED, ATTORNEY FEES ON FUTURE PAYMENTS MAY BE  
18 AGAIN AWARDED FOR NOT MORE THAN 3 YEARS AFTER A NEW TRIAL COURT  
19 JUDGMENT OR ORDER IS ENTERED.

20 (5) A COURT SHALL NOT AWARD A FEE TO AN ATTORNEY FOR ADVISING  
21 OR REPRESENTING AN INJURED PERSON IN AN ACTION FOR PERSONAL OR  
22 PROPERTY PROTECTION INSURANCE BENEFITS FOR A TREATMENT, PRODUCT,  
23 SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION  
24 PROVIDED TO THE INJURED PERSON IF THE ATTORNEY OR A RELATED PERSON  
25 OF THE ATTORNEY HAS, OR HAD AT THE TIME THE TREATMENT, PRODUCT,  
26 SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION WAS  
27 PROVIDED, A DIRECT OR INDIRECT FINANCIAL INTEREST IN THE PERSON

Senate Bill No. 1 as amended May 24, 2019

1 THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE, REHABILITATIVE  
 2 OCCUPATIONAL TRAINING, OR ACCOMMODATION. FOR PURPOSES OF THIS  
 3 SUBSECTION, CIRCUMSTANCES IN WHICH AN ATTORNEY HAS A DIRECT OR  
 4 INDIRECT FINANCIAL INTEREST INCLUDE, BUT ARE NOT LIMITED TO, THE  
 5 PERSON THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE,  
 6 REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION MAKING A  
 7 DIRECT OR INDIRECT PAYMENT OR GRANTING A FINANCIAL INCENTIVE TO THE  
 8 ATTORNEY OR A RELATED PERSON OF THE ATTORNEY RELATING TO THE  
 9 TREATMENT, PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING,  
 10 OR ACCOMMODATION WITHIN 24 MONTHS BEFORE OR AFTER THE TREATMENT,  
 11 PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR  
 12 ACCOMMODATION IS PROVIDED.

13       Sec. 3151. (1) ~~When~~ IF the mental or physical condition of a  
 14 person is material to a claim that has been or may be made for past  
 15 or future personal protection insurance benefits, **AT THE REQUEST OF**  
 16 **AN INSURER** the person shall submit to mental or physical  
 17 examination by physicians. A personal protection insurer may  
 18 include reasonable provisions **THAT ARE IN ACCORD WITH THIS SECTION**  
 19 in a personal protection insurance policy for mental and physical  
 20 examination of persons claiming personal protection insurance  
 21 benefits.

22       (2) A PHYSICIAN WHO CONDUCTS A MENTAL OR PHYSICAL EXAMINATION  
 23 UNDER THIS SECTION MUST BE LICENSED AS A PHYSICIAN IN THIS STATE OR  
 24 ANOTHER STATE AND MEET THE FOLLOWING CRITERIA, AS APPLICABLE:

25       (A) [THE EXAMINING PHYSICIAN IS A LICENSED, BOARD CERTIFIED, OR  
 26 BOARD ELIGIBLE PHYSICIAN QUALIFIED TO PRACTICE IN THE AREA OF  
 27 MEDICINE APPROPRIATE TO TREAT THE PERSON'S CONDITION.



Senate Bill No. 1 as amended May 24, 2019

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3 (B) DURING THE YEAR IMMEDIATELY PRECEDING THE EXAMINATION, THE  
 4 EXAMINING PHYSICIAN MUST HAVE DEVOTED A MAJORITY OF HIS OR HER  
 5 PROFESSIONAL TIME TO EITHER OR BOTH OF THE FOLLOWING:

6 (i) THE ACTIVE CLINICAL PRACTICE OF MEDICINE AND, IF  
 7 SUBDIVISION (A) APPLIES, THE ACTIVE CLINICAL PRACTICE [RELEVANT TO]  
 8 THE SPECIALTY.

9 (ii) THE INSTRUCTION OF STUDENTS IN AN ACCREDITED MEDICAL  
 10 SCHOOL OR IN AN ACCREDITED RESIDENCY OR CLINICAL RESEARCH PROGRAM  
 11 FOR PHYSICIANS AND, IF SUBDIVISION (A) APPLIES, THE INSTRUCTION OF  
 12 STUDENTS IS IN THE SPECIALTY.

13 Sec. 3157. (1) ~~A-SUBJECT TO SUBSECTIONS (2) TO (14), A~~  
 14 ~~physician, hospital, clinic, or other person or institution~~ THAT  
 15 ~~lawfully rendering~~ **RENDERS** treatment to an injured person for an  
 16 accidental bodily injury covered by personal protection insurance,  
 17 ~~and~~ **OR** a person ~~or institution providing~~ **THAT PROVIDES**  
 18 rehabilitative occupational training following the injury, may  
 19 charge a reasonable amount for the ~~products, services and~~  
 20 ~~accommodations rendered.~~ **TREATMENT OR TRAINING.** The charge shall  
 21 **MUST** not exceed the amount the person ~~or institution~~ customarily  
 22 charges for like ~~products, services and accommodations~~ **TREATMENT OR**  
 23 **TRAINING** in cases ~~THAT DO not involving~~ **INVOLVE** insurance.

24 (2) **SUBJECT TO SUBSECTIONS (3) TO (14), A PHYSICIAN, HOSPITAL,**  
 25 **CLINIC, OR OTHER PERSON THAT RENDERS TREATMENT OR REHABILITATIVE**  
 26 **OCCUPATIONAL TRAINING TO AN INJURED PERSON FOR AN ACCIDENTAL BODILY**  
 27 **INJURY COVERED BY PERSONAL PROTECTION INSURANCE IS NOT ELIGIBLE FOR**

1 PAYMENT OR REIMBURSEMENT UNDER THIS CHAPTER FOR MORE THAN THE  
2 FOLLOWING:

3 (A) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2021 AND  
4 BEFORE JULY 2, 2022, 200% OF THE AMOUNT PAYABLE TO THE PERSON FOR  
5 THE TREATMENT OR TRAINING UNDER MEDICARE.

6 (B) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2022 AND  
7 BEFORE JULY 2, 2023, 195% OF THE AMOUNT PAYABLE TO THE PERSON FOR  
8 THE TREATMENT OR TRAINING UNDER MEDICARE.

9 (C) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2023,  
10 190% OF THE AMOUNT PAYABLE TO THE PERSON FOR THE TREATMENT OR  
11 TRAINING UNDER MEDICARE.

12 (3) SUBJECT TO SUBSECTIONS (5) TO (14), A PHYSICIAN, HOSPITAL,  
13 CLINIC, OR OTHER PERSON IDENTIFIED IN SUBSECTION (4) THAT RENDERS  
14 TREATMENT OR REHABILITATIVE OCCUPATIONAL TRAINING TO AN INJURED  
15 PERSON FOR AN ACCIDENTAL BODILY INJURY COVERED BY PERSONAL  
16 PROTECTION INSURANCE IS ELIGIBLE FOR PAYMENT OR REIMBURSEMENT UNDER  
17 THIS CHAPTER OF NOT MORE THAN THE FOLLOWING:

18 (A) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2021 AND  
19 BEFORE JULY 2, 2022, 230% OF THE AMOUNT PAYABLE TO THE PERSON FOR  
20 THE TREATMENT OR TRAINING UNDER MEDICARE.

21 (B) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2022 AND  
22 BEFORE JULY 2, 2023, 225% OF THE AMOUNT PAYABLE TO THE PERSON FOR  
23 THE TREATMENT OR TRAINING UNDER MEDICARE.

24 (C) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2023,  
25 220% OF THE AMOUNT PAYABLE TO THE PERSON FOR THE TREATMENT OR  
26 TRAINING UNDER MEDICARE.

27 (4) SUBJECT TO SUBSECTION (5), SUBSECTION (3) ONLY APPLIES TO

1 A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON IF EITHER OF THE  
2 FOLLOWING APPLIES TO THE PERSON RENDERING THE TREATMENT OR  
3 TRAINING:

4 (A) ON JULY 1 OF THE YEAR IN WHICH THE PERSON RENDERS THE  
5 TREATMENT OR TRAINING, THE PERSON HAS 20% OR MORE, BUT LESS THAN  
6 30%, INDIGENT VOLUME DETERMINED PURSUANT TO THE METHODOLOGY USED BY  
7 THE DEPARTMENT OF HEALTH AND HUMAN SERVICES IN DETERMINING  
8 INPATIENT MEDICAL/SURGICAL FACTORS USED IN MEASURING ELIGIBILITY  
9 FOR MEDICAID DISPROPORTIONATE SHARE PAYMENTS.

10 (B) THE PERSON IS A FREESTANDING REHABILITATION FACILITY. EACH  
11 YEAR THE DIRECTOR SHALL DESIGNATE NOT MORE THAN 2 FREESTANDING  
12 REHABILITATION FACILITIES TO QUALIFY FOR PAYMENTS UNDER SUBSECTION  
13 (3) FOR THAT YEAR. AS USED IN THIS SUBDIVISION, "FREESTANDING  
14 REHABILITATION FACILITY" MEANS AN ACUTE CARE HOSPITAL TO WHICH ALL  
15 OF THE FOLLOWING APPLY:

16 (i) THE HOSPITAL HAS STAFF WITH SPECIALIZED AND DEMONSTRATED  
17 REHABILITATION MEDICINE EXPERTISE.

18 (ii) THE HOSPITAL POSSESSES SOPHISTICATED TECHNOLOGY AND  
19 SPECIALIZED FACILITIES.

20 (iii) THE HOSPITAL PARTICIPATES IN REHABILITATION RESEARCH AND  
21 CLINICAL EDUCATION.

22 (iv) THE HOSPITAL ASSISTS PATIENTS TO ACHIEVE EXCELLENT  
23 REHABILITATION OUTCOMES.

24 (v) THE HOSPITAL COORDINATES NECESSARY POST-DISCHARGE  
25 SERVICES.

26 (vi) THE HOSPITAL IS ACCREDITED BY 1 OR MORE THIRD-PARTY,  
27 INDEPENDENT ORGANIZATIONS FOCUSED ON QUALITY.

Senate Bill No. 1 as amended May 24, 2019

1           (vii) THE HOSPITAL SERVES THE REHABILITATION NEEDS OF  
2 CATASTROPHICALLY INJURED PATIENTS IN THIS STATE.

3           (viii) THE HOSPITAL WAS IN EXISTENCE ON MAY 1, 2019.

4           (5) TO QUALIFY FOR A PAYMENT UNDER SUBSECTION (4) (A) [           ], A  
5 PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON SHALL PROVIDE THE  
6 DIRECTOR WITH ALL DOCUMENTS AND INFORMATION REQUESTED BY THE  
7 DIRECTOR THAT THE DIRECTOR DETERMINES ARE NECESSARY TO ALLOW THE  
8 DIRECTOR TO DETERMINE WHETHER THE PERSON QUALIFIES. THE DIRECTOR  
9 SHALL ANNUALLY REVIEW DOCUMENTS AND INFORMATION PROVIDED UNDER THIS  
10 SUBSECTION AND, IF THE PERSON QUALIFIES UNDER SUBSECTION (4) (A) [  
11           ], SHALL CERTIFY THE PERSON AS QUALIFYING AND PROVIDE A LIST OF  
12 QUALIFYING PERSONS TO INSURERS AND OTHER PERSONS THAT PROVIDE THE  
13 SECURITY REQUIRED UNDER SECTION 3101(1). A PHYSICIAN, HOSPITAL,  
14 CLINIC, OR OTHER PERSON THAT PROVIDES 30% OR MORE OF ITS TOTAL  
15 TREATMENT OR TRAINING AS DESCRIBED UNDER SUBSECTION (4) (A) [           ]  
16 IS ENTITLED TO RECEIVE, INSTEAD OF AN APPLICABLE PERCENTAGE UNDER  
17 SUBSECTION (3), 250% OF THE AMOUNT PAYABLE TO THE PERSON FOR THE  
18 TREATMENT OR TRAINING UNDER MEDICARE.

19           (6) SUBJECT TO SUBSECTIONS (7) TO (14), A HOSPITAL THAT IS A  
20 LEVEL I OR LEVEL II TRAUMA CENTER THAT RENDERS TREATMENT TO AN  
21 INJURED PERSON FOR AN ACCIDENTAL BODILY INJURY COVERED BY PERSONAL  
22 PROTECTION INSURANCE, IF THE TREATMENT IS FOR AN EMERGENCY MEDICAL  
23 CONDITION AND RENDERED BEFORE THE PATIENT IS STABILIZED AND  
24 TRANSFERRED, IS NOT ELIGIBLE FOR PAYMENT OR REIMBURSEMENT UNDER  
25 THIS CHAPTER OF MORE THAN THE FOLLOWING:

26           (A) FOR TREATMENT RENDERED AFTER JULY 1, 2021 AND BEFORE JULY  
27 2, 2022, 240% OF THE AMOUNT PAYABLE TO THE HOSPITAL FOR THE

## Senate Bill No. 1 as amended May 24, 2019

1 TREATMENT UNDER MEDICARE.

2 (B) FOR TREATMENT RENDERED AFTER JULY 1, 2022 AND BEFORE JULY  
3 2, 2023, 235% OF THE AMOUNT PAYABLE TO THE HOSPITAL FOR THE  
4 TREATMENT UNDER MEDICARE.

5 (C) FOR TREATMENT RENDERED AFTER JULY 1, 2023, 230% OF THE  
6 AMOUNT PAYABLE TO THE HOSPITAL FOR THE TREATMENT UNDER MEDICARE.

7 (7) IF MEDICARE DOES NOT PROVIDE AN AMOUNT PAYABLE FOR A  
8 TREATMENT OR REHABILITATIVE OCCUPATIONAL TRAINING UNDER SUBSECTION  
9 (2), (3), [(5),] OR (6), THE PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON  
10 THAT RENDERS THE TREATMENT OR TRAINING IS NOT ELIGIBLE FOR PAYMENT  
11 OR REIMBURSEMENT UNDER THIS CHAPTER OF MORE THAN THE FOLLOWING, AS  
12 APPLICABLE:

13 (A) FOR A PERSON TO WHICH SUBSECTION (2) APPLIES, THE  
14 APPLICABLE FOLLOWING PERCENTAGE OF THE AMOUNT PAYABLE FOR THE  
15 TREATMENT OR TRAINING UNDER THE PERSON'S CHARGE DESCRIPTION MASTER  
16 IN EFFECT ON JANUARY 1, 2019 OR, IF THE PERSON DID NOT HAVE A  
17 CHARGE DESCRIPTION MASTER ON THAT DATE, THE APPLICABLE FOLLOWING  
18 PERCENTAGE OF THE AVERAGE AMOUNT THE PERSON CHARGED FOR THE  
19 TREATMENT ON JANUARY 1, 2019:

20 (i) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2021 AND  
21 BEFORE JULY 2, 2022, 55%.

22 (ii) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2022 AND  
23 BEFORE JULY 2, 2023, 54%.

24 (iii) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2023,  
25 52.5%.

26 (B) FOR A PERSON TO WHICH SUBSECTION (3) APPLIES, THE  
27 APPLICABLE FOLLOWING PERCENTAGE OF THE AMOUNT PAYABLE FOR THE

1 TREATMENT OR TRAINING UNDER THE PERSON'S CHARGE DESCRIPTION MASTER  
2 IN EFFECT ON JANUARY 1, 2019 OR, IF THE PERSON DID NOT HAVE A  
3 CHARGE DESCRIPTION MASTER ON THAT DATE, THE APPLICABLE FOLLOWING  
4 PERCENTAGE OF THE AVERAGE AMOUNT THE PERSON CHARGED FOR THE  
5 TREATMENT OR TRAINING ON JANUARY 1, 2019:

6 (i) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2021 AND  
7 BEFORE JULY 2, 2022, 70%.

8 (ii) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2022 AND  
9 BEFORE JULY 2, 2023, 68%.

10 (iii) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2023,  
11 66.5%.

12 (C) FOR A PERSON TO WHICH SUBSECTION (5) APPLIES, 78% OF THE  
13 AMOUNT PAYABLE FOR THE TREATMENT OR TRAINING UNDER THE PERSON'S  
14 CHARGE DESCRIPTION MASTER IN EFFECT ON JANUARY 1, 2019 OR, IF THE  
15 PERSON DID NOT HAVE A CHARGE DESCRIPTION MASTER ON THAT DATE, 78%  
16 OF THE AVERAGE AMOUNT THE PERSON CHARGED FOR THE TREATMENT ON  
17 JANUARY 1, 2019.

18 (D) FOR A PERSON TO WHICH SUBSECTION (6) APPLIES, THE  
19 APPLICABLE FOLLOWING PERCENTAGE OF THE AMOUNT PAYABLE FOR THE  
20 TREATMENT UNDER THE PERSON'S CHARGE DESCRIPTION MASTER IN EFFECT ON  
21 JANUARY 1, 2019 OR, IF THE PERSON DID NOT HAVE A CHARGE DESCRIPTION  
22 MASTER ON THAT DATE, THE APPLICABLE FOLLOWING PERCENTAGE OF THE  
23 AVERAGE AMOUNT THE PERSON CHARGED FOR THE TREATMENT ON JANUARY 1,  
24 2019:

25 (i) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2021 AND  
26 BEFORE JULY 2, 2022, 75%.

27 (ii) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2022 AND

1 BEFORE JULY 2, 2023, 73%.

2 (iii) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2023,  
3 71%.

4 (8) FOR ANY CHANGE TO AN AMOUNT PAYABLE UNDER MEDICARE AS  
5 PROVIDED IN SUBSECTION (2), (3), (5), OR (6) THAT OCCURS AFTER THE  
6 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION,  
7 THE CHANGE MUST BE APPLIED TO THE AMOUNT ALLOWED FOR PAYMENT OR  
8 REIMBURSEMENT UNDER THAT SUBSECTION. HOWEVER, AN AMOUNT ALLOWED FOR  
9 PAYMENT OR REIMBURSEMENT UNDER SUBSECTION (2), (3), (5), OR (6)  
10 MUST NOT EXCEED THE AVERAGE AMOUNT CHARGED BY THE PHYSICIAN,  
11 HOSPITAL, CLINIC, OR OTHER PERSON FOR THE TREATMENT OR TRAINING ON  
12 JANUARY 1, 2019.

13 (9) AN AMOUNT THAT IS TO BE APPLIED UNDER SUBSECTION (7) OR  
14 (8), THAT WAS IN EFFECT ON JANUARY 1, 2019, INCLUDING ANY PRIOR  
15 ADJUSTMENTS TO THE AMOUNT MADE UNDER THIS SUBSECTION, MUST BE  
16 ADJUSTED ANNUALLY BY THE PERCENTAGE CHANGE IN THE MEDICAL CARE  
17 COMPONENT OF THE CONSUMER PRICE INDEX FOR THE YEAR PRECEDING THE  
18 ADJUSTMENT.

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

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

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

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

3 (11) AN INSURER MAY CONTRACT TO PAY BENEFITS FOR ATTENDANT  
4 CARE FOR MORE THAN THE HOURLY LIMITATION UNDER SUBSECTION (10).

5 (12) A NEUROLOGICAL REHABILITATION CLINIC IS NOT ENTITLED TO  
6 PAYMENT OR REIMBURSEMENT FOR A TREATMENT, TRAINING, PRODUCT,  
7 SERVICE, OR ACCOMMODATION UNLESS THE NEUROLOGICAL REHABILITATION  
8 CLINIC IS ACCREDITED BY THE COMMISSION ON ACCREDITATION OF  
9 REHABILITATION FACILITIES OR A SIMILAR ORGANIZATION RECOGNIZED BY  
10 THE DIRECTOR FOR PURPOSES OF ACCREDITATION UNDER THIS SUBSECTION.  
11 THIS SUBSECTION DOES NOT APPLY TO A NEUROLOGICAL REHABILITATION  
12 CLINIC THAT IS IN THE PROCESS OF BECOMING ACCREDITED AS REQUIRED  
13 UNDER THIS SUBSECTION ON JULY 1, 2021, UNLESS 3 YEARS HAVE PASSED  
14 SINCE THE BEGINNING OF THAT PROCESS AND THE NEUROLOGICAL  
15 REHABILITATION CLINIC IS STILL NOT ACCREDITED.

16 (13) SUBSECTIONS (2) TO (12) DO NOT APPLY TO EMERGENCY MEDICAL  
17 SERVICES RENDERED BY AN AMBULANCE OPERATION. AS USED IN THIS  
18 SUBSECTION:

19 (A) "AMBULANCE OPERATION" MEANS THAT TERM AS DEFINED IN  
20 SECTION 20902 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL  
21 333.20902.

22 (B) "EMERGENCY MEDICAL SERVICES" MEANS THAT TERM AS DEFINED IN  
23 SECTION 20904 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL  
24 333.20904.

25 (14) SUBSECTIONS (2) TO (13) APPLY TO TREATMENT OR  
26 REHABILITATIVE OCCUPATIONAL TRAINING RENDERED AFTER JULY 1, 2021.

27 (15) AS USED IN THIS SECTION:



1 (A) "CHARGE DESCRIPTION MASTER" MEANS A UNIFORM SCHEDULE OF  
2 CHARGES REPRESENTED BY THE PERSON AS ITS GROSS BILLED CHARGE FOR A  
3 GIVEN SERVICE OR ITEM, REGARDLESS OF PAYER TYPE.

4 (B) "CONSUMER PRICE INDEX" MEANS THE MOST COMPREHENSIVE INDEX  
5 OF CONSUMER PRICES AVAILABLE FOR THIS STATE FROM THE UNITED STATES  
6 DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS.

7 (C) "EMERGENCY MEDICAL CONDITION" MEANS THAT TERM AS DEFINED  
8 IN SECTION 1395DD OF THE SOCIAL SECURITY ACT, 42 USC 1395DD.

9 (D) "LEVEL I OR LEVEL II TRAUMA CENTER" MEANS A HOSPITAL THAT  
10 IS VERIFIED AS A LEVEL I OR LEVEL II TRAUMA CENTER BY THE AMERICAN  
11 COLLEGE OF SURGEONS COMMITTEE ON TRAUMA.

12 (E) "MEDICAID" MEANS A PROGRAM FOR MEDICAL ASSISTANCE  
13 ESTABLISHED UNDER SUBCHAPTER XIX OF THE SOCIAL SECURITY ACT, 42 USC  
14 1396 TO 1396W-5.

15 (F) "MEDICARE" MEANS FEE FOR SERVICE PAYMENTS UNDER PART A, B,  
16 OR D OF THE FEDERAL MEDICARE PROGRAM ESTABLISHED UNDER SUBCHAPTER  
17 XVIII OF THE SOCIAL SECURITY ACT, 42 USC 1395 TO 1395///, WITHOUT  
18 REGARD TO THE LIMITATIONS UNRELATED TO THE RATES IN THE FEE  
19 SCHEDULE SUCH AS LIMITATION OR SUPPLEMENTAL PAYMENTS RELATED TO  
20 UTILIZATION, READMISSIONS, RECAPTURES, BAD DEBT ADJUSTMENTS, OR  
21 SEQUESTRATION.

22 (G) "NEUROLOGICAL REHABILITATION CLINIC" MEANS A PERSON THAT  
23 PROVIDES POST-ACUTE BRAIN AND SPINAL REHABILITATION CARE.

24 (H) "PERSON", AS PROVIDED IN SECTION 114, INCLUDES, BUT IS NOT  
25 LIMITED TO, AN INSTITUTION.

26 (I) "STABILIZED" MEANS THAT TERM AS DEFINED IN SECTION 1395DD  
27 OF THE SOCIAL SECURITY ACT, 42 USC 1395DD.

1 (J) "TRANSFER" MEANS THAT TERM AS DEFINED IN SECTION 1395DD OF  
2 THE SOCIAL SECURITY ACT, 42 USC 1395DD.

3 (K) "TREATMENT" INCLUDES, BUT IS NOT LIMITED TO, PRODUCTS,  
4 SERVICES, AND ACCOMMODATIONS.

5 SEC. 3157A. (1) BY RENDERING ANY TREATMENT, PRODUCTS,  
6 SERVICES, OR ACCOMMODATIONS TO 1 OR MORE INJURED PERSONS FOR AN  
7 ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE  
8 UNDER THIS CHAPTER AFTER JULY 1, 2020, A PHYSICIAN, HOSPITAL,  
9 CLINIC, OR OTHER PERSON IS CONSIDERED TO HAVE AGREED TO DO BOTH OF  
10 THE FOLLOWING:

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

14 (B) COMPLY WITH ANY DECISION OF THE DEPARTMENT UNDER THIS  
15 SECTION.

16 (2) A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR  
17 INSTITUTION THAT KNOWINGLY SUBMITS UNDER THIS SECTION FALSE OR  
18 MISLEADING RECORDS OR OTHER INFORMATION TO AN INSURER, THE  
19 ASSOCIATION CREATED UNDER SECTION 3104, OR THE DEPARTMENT COMMITS A  
20 FRAUDULENT INSURANCE ACT UNDER SECTION 4503.

21 (3) THE DEPARTMENT SHALL PROMULGATE RULES UNDER THE  
22 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO  
23 24.328, TO DO BOTH OF THE FOLLOWING:

24 (A) ESTABLISH CRITERIA OR STANDARDS FOR UTILIZATION REVIEW  
25 THAT IDENTIFY UTILIZATION OF TREATMENT, PRODUCTS, SERVICES, OR  
26 ACCOMMODATIONS UNDER THIS CHAPTER ABOVE THE USUAL RANGE OF  
27 UTILIZATION FOR THE TREATMENT, PRODUCTS, SERVICES, OR

1 ACCOMMODATIONS BASED ON MEDICALLY ACCEPTED STANDARDS.

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

4 (i) ACQUIRING NECESSARY RECORDS, MEDICAL BILLS, AND OTHER  
5 INFORMATION CONCERNING THE TREATMENT, PRODUCTS, SERVICES, OR  
6 ACCOMMODATIONS PROVIDED.

7 (ii) ALLOWING AN INSURER TO REQUEST AN EXPLANATION FOR AND  
8 REQUIRING A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON TO EXPLAIN  
9 THE NECESSITY OR INDICATION FOR TREATMENT, PRODUCTS, SERVICES, OR  
10 ACCOMMODATIONS PROVIDED.

11 (iii) APPEALING DETERMINATIONS.

12 (4) IF A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON PROVIDES  
13 TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS UNDER THIS CHAPTER  
14 THAT ARE NOT USUALLY ASSOCIATED WITH, ARE LONGER IN DURATION THAN,  
15 ARE MORE FREQUENT THAN, OR EXTEND OVER A GREATER NUMBER OF DAYS  
16 THAN THE TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS USUALLY  
17 REQUIRE FOR THE DIAGNOSIS OR CONDITION FOR WHICH THE PATIENT IS  
18 BEING TREATED, THE INSURER OR THE ASSOCIATION CREATED UNDER SECTION  
19 3104 MAY REQUIRE THE PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON  
20 TO EXPLAIN THE NECESSITY OR INDICATION FOR THE TREATMENT, PRODUCTS,  
21 SERVICES, OR ACCOMMODATIONS IN WRITING UNDER THE PROCEDURES  
22 PROVIDED UNDER SUBSECTION (3).

23 (5) IF AN INSURER OR THE ASSOCIATION CREATED UNDER SECTION  
24 3104 DETERMINES THAT A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON  
25 OVERUTILIZED OR OTHERWISE RENDERED OR ORDERED INAPPROPRIATE  
26 TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS, OR THAT THE COST  
27 OF THE TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS WAS

1 INAPPROPRIATE UNDER THIS CHAPTER, THE PHYSICIAN, HOSPITAL, CLINIC,  
2 OR OTHER PERSON MAY APPEAL THE DETERMINATION TO THE DEPARTMENT  
3 UNDER THE PROCEDURES PROVIDED UNDER SUBSECTION (3).

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

9 SEC. 3157B. ANY PROPRIETARY INFORMATION OR SENSITIVE  
10 PERSONALLY IDENTIFIABLE INFORMATION REGARDING A PATIENT THAT IS  
11 SUBMITTED TO THE DEPARTMENT UNDER SECTION 3157A IS EXEMPT FROM  
12 DISCLOSURE UNDER SECTION 13(D) OF THE FREEDOM OF INFORMATION ACT,  
13 1976 PA 442, MCL 15.243, AND THE DEPARTMENT SHALL EXEMPT ANY SUCH  
14 INFORMATION FROM DISCLOSURE UNDER ANY OTHER APPLICABLE EXEMPTIONS  
15 UNDER SECTION 13 OF THE FREEDOM OF INFORMATION ACT, 1976 PA 442,  
16 MCL 15.243.

17 Sec. 3163. ~~(1)~~ An insurer authorized to transact automobile  
18 liability insurance and personal and property protection insurance  
19 in this state ~~shall file and maintain a written certification that~~  
20 ~~any~~ IS NOT REQUIRED TO PROVIDE PERSONAL PROTECTION INSURANCE OR  
21 PROPERTY PROTECTION INSURANCE BENEFITS UNDER THIS CHAPTER FOR  
22 accidental bodily injury or property damage occurring in this state  
23 arising from the ownership, operation, maintenance, or use of a  
24 motor vehicle as a motor vehicle by an out-of-state resident who is  
25 insured under ~~its~~ THE INSURER'S automobile liability insurance  
26 policies, UNLESS THE OUT-OF-STATE RESIDENT IS THE OWNER OF A MOTOR  
27 VEHICLE THAT IS REGISTERED AND INSURED IN THIS STATE. ~~is subject~~

1 ~~to the personal and property protection insurance system under this~~  
2 ~~act.~~

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

5 ~~—— (3) Except as otherwise provided in subsection (4), if a~~  
6 ~~certification filed under subsection (1) or (2) applies to~~  
7 ~~accidental bodily injury or property damage, the insurer and its~~  
8 ~~insureds with respect to that injury or damage have the rights and~~  
9 ~~immunities under this act for personal and property protection~~  
10 ~~insureds, and claimants have the rights and benefits of personal~~  
11 ~~and property protection insurance claimants, including the right to~~  
12 ~~receive benefits from the electing insurer as if it were an insurer~~  
13 ~~of personal and property protection insurance applicable to the~~  
14 ~~accidental bodily injury or property damage.~~

15 ~~—— (4) If an insurer of an out of state resident is required to~~  
16 ~~provide benefits under subsections (1) to (3) to that out of state~~  
17 ~~resident for accidental bodily injury for an accident in which the~~  
18 ~~out of state resident was not an occupant of a motor vehicle~~  
19 ~~registered in this state, the insurer is only liable for the amount~~  
20 ~~of ultimate loss sustained up to \$500,000.00. Benefits under this~~  
21 ~~subsection are not recoverable to the extent that benefits covering~~  
22 ~~the same loss are available from other sources, regardless of the~~  
23 ~~nature or number of benefit sources available and regardless of the~~  
24 ~~nature or form of the benefits.~~

25       Sec. 3172. (1) A person entitled to claim because of  
26 accidental bodily injury arising out of the ownership, operation,  
27 maintenance, or use of a motor vehicle as a motor vehicle in this

1 state may ~~obtain~~-CLAIM personal protection insurance benefits  
2 through the assigned claims plan if ~~no~~-ANY OF THE FOLLOWING APPLY:

3 (A) NO personal protection insurance is applicable to the  
4 injury. ~~no~~

5 (B) NO personal protection insurance applicable to the injury  
6 can be identified. ~~the~~

7 (C) NO personal protection insurance applicable to the injury  
8 ~~cannot~~-CAN be ascertained because of a dispute between 2 or more  
9 automobile insurers concerning their obligation to provide coverage  
10 or the equitable distribution of the loss. ~~or the~~

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

15 (2) UNPAID benefits due or coming due AS DESCRIBED IN  
16 SUBSECTION (1) may be collected under the assigned claims plan, and  
17 the insurer to which the claim is assigned is entitled to  
18 reimbursement from the defaulting insurers to the extent of their  
19 financial responsibility.

20 (3) A PERSON ENTITLED TO CLAIM PERSONAL PROTECTION INSURANCE  
21 BENEFITS THROUGH THE ASSIGNED CLAIMS PLAN UNDER SUBSECTION (1)  
22 SHALL FILE A COMPLETED APPLICATION ON A CLAIM FORM PROVIDED BY THE  
23 MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY AND PROVIDE  
24 REASONABLE PROOF OF LOSS TO THE MICHIGAN AUTOMOBILE INSURANCE  
25 PLACEMENT FACILITY. THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT  
26 FACILITY OR AN INSURER ASSIGNED TO ADMINISTER A CLAIM ON BEHALF OF  
27 THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY UNDER THE

1 ASSIGNED CLAIMS PLAN SHALL SPECIFY IN WRITING THE MATERIALS THAT  
2 CONSTITUTE A REASONABLE PROOF OF LOSS WITHIN 60 DAYS AFTER RECEIPT  
3 BY THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY OF AN  
4 APPLICATION THAT COMPLIES WITH THIS SUBSECTION.

5 (4) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY OR AN  
6 INSURER ASSIGNED TO ADMINISTER A CLAIM ON BEHALF OF THE MICHIGAN  
7 AUTOMOBILE INSURANCE PLACEMENT FACILITY UNDER THE ASSIGNED CLAIMS  
8 PLAN IS NOT REQUIRED TO PAY INTEREST IN CONNECTION WITH A CLAIM FOR  
9 ANY PERIOD OF TIME DURING WHICH THE CLAIM IS REASONABLY IN DISPUTE.

10 (5) ~~(2)~~ Except as otherwise provided in this subsection,  
11 personal protection insurance benefits, including benefits arising  
12 from accidents occurring before March 29, 1985, payable through the  
13 assigned claims plan ~~shall~~ **MUST** be reduced to the extent that  
14 benefits covering the same loss are available from other sources,  
15 regardless of the nature or number of benefit sources available and  
16 regardless of the nature or form of the benefits, to a person  
17 claiming personal protection insurance benefits through the  
18 assigned claims plan. This subsection only applies if the personal  
19 protection insurance benefits are payable through the assigned  
20 claims plan ~~because no personal protection insurance is applicable~~  
21 ~~to the injury, no personal protection insurance applicable to the~~  
22 ~~injury can be identified, or the only identifiable personal~~  
23 ~~protection insurance applicable to the injury is, because of~~  
24 ~~financial inability of 1 or more insurers to fulfill their~~  
25 ~~obligations, inadequate to provide benefits up to the maximum~~  
26 ~~prescribed.~~ **UNDER SUBSECTION (1) (A), (B), OR (D).** As used in this  
27 subsection, "sources" and "benefit sources" do not include the

1 program for medical assistance for the medically indigent under the  
 2 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, or  
 3 ~~insurance under the health insurance for the aged act, title~~ **AND**  
 4 **DISABLED UNDER SUBCHAPTER XVIII** of the social security act, 42 USC  
 5 1395 to ~~1395kkk-1-~~ **1395lll**.

6 (6) ~~(3)~~—If the obligation to provide personal protection  
 7 insurance benefits cannot be ascertained because of a dispute  
 8 between 2 or more automobile insurers concerning their obligation  
 9 to provide coverage or the equitable distribution of the loss, and  
 10 if a method of voluntary payment of benefits cannot be agreed upon  
 11 among or between the disputing insurers, all of the following  
 12 apply:

13 (a) The insurers who are parties to the dispute shall, or the  
 14 claimant may, immediately notify the Michigan automobile insurance  
 15 placement facility of their inability to determine their statutory  
 16 obligations.

17 (b) ~~The claim shall be assigned by the Michigan automobile~~  
 18 insurance placement facility **SHALL ASSIGN THE CLAIM** to an insurer  
 19 and the insurer shall immediately provide personal protection  
 20 insurance benefits to the claimant or claimants entitled to  
 21 benefits.

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



1 (d) The insurer to whom the claim is assigned shall join as  
2 parties defendant to the action commenced under subdivision (c)  
3 each insurer disputing either the obligation to provide personal  
4 protection insurance benefits or the equitable distribution of the  
5 loss among the insurers.

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

9 (f) After hearing the action, the circuit court shall  
10 determine the insurer or insurers, if any, obligated to provide the  
11 applicable personal protection insurance benefits and the equitable  
12 distribution, if any, among the insurers obligated, and shall order  
13 reimbursement to the Michigan automobile insurance placement  
14 facility from the insurer or insurers to the extent of the  
15 responsibility as determined by the court. The reimbursement  
16 ordered under this subdivision ~~shall~~ **MUST** include all benefits and  
17 costs paid or incurred by the Michigan automobile insurance  
18 placement facility and all benefits and costs paid or incurred by  
19 insurers determined not to be obligated to provide applicable  
20 personal protection insurance benefits, including ~~reasonable,~~  
21 ~~actually~~ incurred attorney fees and interest at the rate prescribed  
22 in section 3175 ~~as of~~ **APPLICABLE ON** December 31 of the year  
23 preceding the determination of the circuit court.

24 **(7) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY AND**  
25 **THE INSURER TO WHOM A CLAIM IS ASSIGNED BY THE MICHIGAN AUTOMOBILE**  
26 **INSURANCE PLACEMENT FACILITY ARE ONLY REQUIRED TO PROVIDE PERSONAL**  
27 **PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1)(A) UP TO**

1 WHICHEVER OF THE FOLLOWING IS APPLICABLE:

2 (A) UNLESS SUBDIVISION (B) APPLIES, THE LIMIT PROVIDED IN  
3 SECTION 3107C(1) (B) .

4 (B) IF THE PERSON IS ENTITLED TO CLAIM BENEFITS UNDER THE  
5 ASSIGNED CLAIMS PLAN UNDER SECTION 3107D(6) (C) OR 3109A(2) (D) (ii) ,  
6 \$2,000,000.00.

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

1 denial and the reasons for the denial.

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

10 (A) THE PERSON SUBMITTED A CLAIM FOR PERSONAL PROTECTION  
11 INSURANCE BENEFITS UNDER THE ASSIGNED CLAIMS PLAN BY SUBMITTING TO  
12 THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY A COMPLETE  
13 APPLICATION ON A FORM PROVIDED BY THE MICHIGAN AUTOMOBILE INSURANCE  
14 PLACEMENT FACILITY IN ACCORDANCE WITH THE ASSIGNED CLAIMS PLAN.

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

17 (C) IF REQUIRED UNDER THIS SUBSECTION TO SUBMIT TO AN  
18 EXAMINATION UNDER OATH, THE PERSON SUBMITTED TO THE EXAMINATION,  
19 SUBJECT TO ALL OF THE FOLLOWING:

20 (i) THE PERSON WAS PROVIDED AT LEAST 21 DAYS' NOTICE OF THE  
21 EXAMINATION.

22 (ii) THE EXAMINATION WAS CONDUCTED IN A LOCATION REASONABLY  
23 CONVENIENT FOR THE PERSON.

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

26 (3) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY  
27 PERFORM ITS FUNCTIONS AND RESPONSIBILITIES UNDER THIS SECTION AND

1 THE ASSIGNED CLAIMS PLAN DIRECTLY OR THROUGH AN INSURER ASSIGNED BY  
2 THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY TO ADMINISTER  
3 THE CLAIM ON BEHALF OF THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT  
4 FACILITY. THE ASSIGNMENT OF A CLAIM BY THE MICHIGAN AUTOMOBILE  
5 INSURANCE PLACEMENT FACILITY TO AN INSURER IS NOT A DETERMINATION  
6 OF ELIGIBILITY UNDER THIS CHAPTER OR THE ASSIGNED CLAIMS PLAN, AND  
7 A CLAIM ASSIGNED TO AN INSURER BY THE MICHIGAN AUTOMOBILE INSURANCE  
8 PLACEMENT FACILITY MAY LATER BE DENIED IF THE CLAIM IS NOT ELIGIBLE  
9 UNDER THIS CHAPTER OR THE ASSIGNED CLAIMS PLAN.

10 (4) ~~(2)~~—A person who presents or causes to be presented an  
11 oral or written statement, including computer-generated  
12 information, as part of or in support of a claim to the Michigan  
13 automobile insurance placement facility, **OR TO AN INSURER TO WHICH**  
14 **THE CLAIM IS ASSIGNED UNDER THE ASSIGNED CLAIMS PLAN**, for payment  
15 or another benefit knowing that the statement contains false  
16 information concerning a fact or thing material to the claim  
17 commits a fraudulent insurance act under section 4503 that is  
18 subject to the penalties imposed under section 4511. A claim that  
19 contains or is supported by a fraudulent insurance act as described  
20 in this subsection is ineligible for payment ~~or~~ **OF PERSONAL**  
21 **PROTECTION INSURANCE** benefits under the assigned claims plan.

22 (5) **THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY**  
23 **CONTRACT WITH OTHER PERSONS FOR ALL OR A PORTION OF THE GOODS AND**  
24 **SERVICES NECESSARY FOR OPERATING AND MAINTAINING THE ASSIGNED**  
25 **CLAIMS PLAN.**

26 Sec. 3174. A person claiming through the assigned claims plan  
27 shall notify the Michigan automobile insurance placement facility

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

15       Sec. 3175. (1) The assignment of claims under the assigned  
16 claims plan ~~shall~~ **MUST** be made according to procedures established  
17 in the assigned claims plan that assure fair allocation of the  
18 burden of assigned claims among insurers doing business in this  
19 state on a basis reasonably related to the volume of automobile  
20 liability and personal protection insurance they write on motor  
21 vehicles or the number of self-insured motor vehicles. An insurer  
22 to whom claims have been assigned shall make prompt payment of loss  
23 in accordance with this act. An insurer is entitled to  
24 reimbursement by the Michigan automobile insurance placement  
25 facility for the payments, the established loss adjustment cost,  
26 and an amount determined by use of the average annual 90-day United  
27 States treasury bill yield rate, as reported by the ~~council of~~

1 ~~economic advisers~~ **COUNCIL OF ECONOMIC ADVISERS** as of December 31 of  
2 the year for which reimbursement is sought, as follows:

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

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

16 (2) ~~The~~ **AN INSURER ASSIGNED A CLAIM BY THE MICHIGAN AUTOMOBILE**  
17 **INSURANCE PLACEMENT FACILITY UNDER THE ASSIGNED CLAIMS PLAN OR A**  
18 **PERSON AUTHORIZED TO ACT ON BEHALF OF THE PLAN MAY BRING AN ACTION**  
19 **FOR REIMBURSEMENT AND INDEMNIFICATION OF THE CLAIM ON BEHALF OF THE**  
20 **MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY. THE** insurer to  
21 ~~whom claims have~~ **WHICH THE CLAIM HAS** been assigned shall preserve  
22 and enforce rights to indemnity or reimbursement against third  
23 parties and account to the Michigan automobile insurance placement  
24 facility for the rights and shall assign the rights to the Michigan  
25 automobile insurance placement facility on reimbursement by the  
26 Michigan automobile insurance placement facility. This section does  
27 not preclude an insurer from entering into reasonable compromises

1 and settlements with third parties against whom rights to indemnity  
2 or reimbursement exist. The insurer shall account to the Michigan  
3 automobile insurance placement facility for any compromises and  
4 settlements. The procedures established under the assigned claims  
5 plan ~~shall~~ **OF OPERATION MUST** establish reasonable standards for  
6 enforcing rights to indemnity or reimbursement against third  
7 parties, including a standard establishing an amount below which  
8 actions to preserve and enforce the rights need not be pursued.

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

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

14 (B) **ONE** year after the date of the last payment to the  
15 claimant.

16 (C) **ONE YEAR AFTER THE DATE THE RESPONSIBLE THIRD PARTY IS**  
17 **IDENTIFIED.**

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

21 (5) The Michigan automobile insurance placement facility may  
22 enter into a written agreement with the debtor permitting the  
23 payment of the judgment or acknowledgment of debt in installments  
24 payable to the Michigan automobile insurance placement facility. A  
25 default in payment of installments under a judgment as agreed  
26 subjects the debtor to suspension or revocation of his or her motor  
27 vehicle license or registration in the same manner as for the

1 failure by an uninsured motorist to pay a judgment by installments  
2 under section 3177, **INCLUDING RESPONSIBILITY FOR EXPENSES AS**  
3 **PROVIDED IN SECTION 3177(4)**.

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

21       (2) **THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY**  
22 **MAKE A WRITTEN AGREEMENT WITH THE OWNER OR REGISTRANT OF AN**  
23 **UNINSURED VEHICLE OR HIS OR HER ESTATE PERMITTING THE PAYMENT OF A**  
24 **JUDGMENT DESCRIBED IN SUBSECTION (1) IN INSTALLMENTS PAYABLE TO THE**  
25 **MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY.** The motor vehicle  
26 registration and license ~~shall~~**OF AN OWNER OR REGISTRANT WHO MAKES**  
27 **A WRITTEN AGREEMENT UNDER THIS SUBSECTION MUST** not be suspended or



1 ~~revoked and, the motor vehicle registration and license shall~~ **IF**  
 2 **ALREADY SUSPENDED OR REVOKED UNDER SUBSECTION (1), MUST** be restored  
 3 ~~if the debtor enters into a written agreement with the secretary of~~  
 4 ~~state permitting the payment of the judgment in installments, if~~  
 5 the payment of any installments is not in default.

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

18 (4) **EXPENSES FOR THE SUSPENSION, REVOCATION, OR REINSTATEMENT**  
 19 **OF A MOTOR VEHICLE REGISTRATION OR LICENSE UNDER THIS SECTION ARE**  
 20 **THE RESPONSIBILITY OF THE OWNER OR REGISTRANT OR OF HIS OR HER**  
 21 **ESTATE. AN OWNER OR REGISTRANT WHOSE REGISTRATION OR LICENSE IS**  
 22 **SUSPENDED UNDER THIS SECTION SHALL PAY ANY REINSTATEMENT FEE AS**  
 23 **REQUIRED UNDER SECTION 320E OF THE MICHIGAN VEHICLE CODE, 1949 PA**  
 24 **300, MCL 257.320E.**

25 **CHAPTER 31A**

26 **MANAGED CARE**

27 **SEC. 3181. AS USED IN THIS CHAPTER, "MANAGED CARE OPTION"**

1 MEANS AN OPTIONAL COVERAGE SELECTED BY AN INSURED AT THE TIME A  
2 POLICY IS ISSUED THAT INCLUDES, BUT IS NOT LIMITED TO, THE  
3 MONITORING AND ADJUDICATION OF AN INJURED PERSON'S CARE, THE USE OF  
4 A PREFERRED PROVIDER PROGRAM OR OTHER NETWORK, OR OTHER SIMILAR  
5 OPTION.

6 SEC. 3182. THIS CHAPTER APPLIES TO ALL AUTOMOBILE INSURANCE  
7 WHETHER WRITTEN ON AN INDIVIDUAL OR GROUP BASIS.

8 SEC. 3183. AN AUTOMOBILE INSURER MAY OFFER A MANAGED CARE  
9 OPTION THAT PROVIDES FOR ALLOWABLE EXPENSES CONSISTING OF ALL  
10 REASONABLE CHARGES INCURRED FOR REASONABLY NECESSARY PRODUCTS,  
11 SERVICES, AND ACCOMMODATIONS FOR AN INJURED PERSON'S CARE,  
12 RECOVERY, OR REHABILITATION. THIS MANAGED CARE OPTION IS SUBJECT TO  
13 ALL OF THE FOLLOWING:

14 (A) IT MUST BE UNIFORMLY OFFERED IN ALL AREAS WHERE THE  
15 MANAGED CARE OPTION IS AVAILABLE.

16 (B) IT MUST PROVIDE A DISCOUNT THAT REFLECTS REASONABLY  
17 ANTICIPATED REDUCTIONS IN LOSSES OR EXPENSES OR BOTH.

18 (C) IT MUST NOT APPLY TO EMERGENCY CARE. EMERGENCY CARE  
19 INCLUDES, BUT IS NOT LIMITED TO, ALL CARE NECESSARY TO THE POINT  
20 WHERE NO MATERIAL DETERIORATION OF A CONDITION IS LIKELY, WITHIN  
21 REASONABLE MEDICAL PROBABILITY, TO RESULT FROM OR OCCUR DURING  
22 TRANSFER OF THE PATIENT.

23 SEC. 3184. AN AUTOMOBILE INSURER THAT OFFERS A MANAGED CARE  
24 OPTION UNDER THIS CHAPTER SHALL ALSO OFFER PERSONAL PROTECTION  
25 INSURANCE BENEFITS UNDER SECTION 3107(1)(A) THAT ARE NOT SUBJECT TO  
26 THE MANAGED CARE OPTION.

27 SEC. 3185. THE MANAGED CARE OPTION MUST APPLY TO THE INSURED

1 WHO SELECTS THE MANAGED CARE OPTION AND ANY PERSON WHO RESIDES IN  
2 AN AREA WHERE THE MANAGED CARE OPTION IS AVAILABLE AND WHO IS  
3 CLAIMING PERSONAL PROTECTION INSURANCE BENEFITS UNDER THE POLICY  
4 WITH THE MANAGED CARE OPTION.

5 SEC. 3186. A MANAGED CARE OPTION MAY PROVIDE FOR DEDUCTIBLES,  
6 CO-PAYS, OR BOTH DEDUCTIBLES AND CO-PAYS.

7 SEC. 3187. A MANAGED CARE OPTION MUST PROVIDE FOR ALL OF THE  
8 FOLLOWING:

9 (A) THAT PERSONAL PROTECTION INSURANCE BENEFITS ARE PRIMARY  
10 AND WILL NOT BE COORDINATED WITH OTHER HEALTH AND ACCIDENT COVERAGE  
11 ON THE INDIVIDUAL CLAIMING PERSONAL PROTECTION INSURANCE BENEFITS  
12 UNDER THE POLICY WITH THE MANAGED CARE OPTION.

13 (B) THAT PERSONAL PROTECTION INSURANCE BENEFITS MUST BE  
14 EXHAUSTED BY THE INDIVIDUAL CLAIMING THOSE BENEFITS UNDER THE  
15 POLICY WITH THE MANAGED CARE OPTION BEFORE THE INDIVIDUAL MAY SEEK  
16 BENEFITS FROM ANOTHER HEALTH OR ACCIDENT COVERAGE PROVIDER.

17 (C) THAT DEDUCTIBLES, CO-PAYS, OR OTHER SIMILAR SANCTIONS WILL  
18 NOT BE ASSESSED OR COLLECTED FROM OTHER HEALTH AND ACCIDENT  
19 COVERAGE PROVIDERS FOR THE INDIVIDUAL CLAIMING PERSONAL PROTECTION  
20 INSURANCE BENEFITS UNDER THE POLICY WITH THE MANAGED CARE OPTION.

21 SEC. 3188. AT THE TIME OF THE INITIAL SELECTION OF THE MANAGED  
22 CARE OPTION BY THE INSURED, AN AUTOMOBILE INSURER SHALL OBTAIN A  
23 SIGNED ACKNOWLEDGMENT THAT THE INSURED RECEIVED A WRITTEN  
24 DISCLOSURE STATEMENT APPROVED BY THE DIRECTOR OR A WRITTEN  
25 DISCLOSURE STATEMENT THAT INCLUDES ALL OF THE FOLLOWING:

26 (A) A SUMMARY OF THE PROVISIONS OF THE MANAGED CARE OPTION.

27 (B) THE ESTIMATED RANGE OF THE PERCENTAGE OF THE DISCOUNT

1 PROVIDED BY THE MANAGED CARE OPTION.

2 (C) A GENERAL DESCRIPTION OF THE DIFFERENCES BETWEEN A MANAGED  
3 CARE OPTION UNDER THIS CHAPTER AND PERSONAL PROTECTION INSURANCE  
4 BENEFITS UNDER SECTION 3107(1)(A) THAT ARE NOT SUBJECT TO THE  
5 MANAGED CARE OPTION, INCLUDING ANY PROCEDURAL DIFFERENCES IN  
6 SEEKING TREATMENT AND FILING A CLAIM.

7 (D) THE CONSEQUENCES FOR VIOLATING ANY PROVISIONS OF THE  
8 MANAGED CARE OPTION, INCLUDING THE POSSIBILITY OF A CLAIM DENIAL,  
9 THE PAYMENT OF A DEDUCTIBLE AND THE AMOUNT OF THAT DEDUCTIBLE, AND  
10 ANY ADDITIONAL OUT-OF-POCKET EXPENSES THAT MAY BE INCURRED.

11 (E) AN EXPLANATION OF WHETHER THE INSURER OFFERS AN OPT-OUT  
12 PROVISION THAT WOULD ENABLE THE INSURED TO CHANGE HIS OR HER POLICY  
13 FROM A MANAGED CARE OPTION TO PERSONAL PROTECTION INSURANCE  
14 BENEFITS UNDER SECTION 3107(1)(A) THAT ARE NOT SUBJECT TO THE  
15 MANAGED CARE OPTION AND ANY RESTRICTIONS PLACED UPON THE INSURED IN  
16 REGARD TO OPTING OUT OF THE MANAGED CARE OPTION.

17 SEC. 3189. THE DISCLOSURE STATEMENT UNDER SECTION 3188 MUST  
18 INCLUDE A POSTAL MAILING ADDRESS AND EITHER A TOLL-FREE TELEPHONE  
19 NUMBER OR AN INTERNET WEBSITE ADDRESS THAT INSUREDS OR APPLICANTS  
20 FOR INSURANCE MAY WRITE, CALL, OR OTHERWISE ACCESS FOR INFORMATION  
21 ON THE MANAGED CARE OPTION.

22 CHAPTER 63

23 ANTI-FRAUD UNIT

24 SEC. 6301. (1) AN ANTI-FRAUD UNIT IS ESTABLISHED AS A CRIMINAL  
25 JUSTICE AGENCY IN THE DEPARTMENT, DEDICATED TO PREVENTION AND  
26 INVESTIGATION OF CRIMINAL AND FRAUDULENT ACTIVITIES IN THE  
27 INSURANCE MARKET.

1           (2) THE ANTI-FRAUD UNIT IS A CRIMINAL JUSTICE AGENCY WITH FULL  
2 ACCESS TO CRIMINAL JUSTICE INFORMATION AND CRIMINAL JUSTICE  
3 INFORMATION SYSTEMS. THE ANTI-FRAUD UNIT MAY INVESTIGATE ALL  
4 PERSONS, INCLUDING, BUT NOT LIMITED TO, PERSONS SUBJECT TO THE  
5 DEPARTMENT'S REGULATORY AUTHORITY, CONSUMERS, INSUREDS, AND ANY  
6 OTHER PERSONS ALLEGEDLY ENGAGED IN CRIMINAL AND FRAUDULENT  
7 ACTIVITIES IN THE INSURANCE MARKET. THE ANTI-FRAUD UNIT MAY  
8 INVESTIGATE CRIMINAL AND FRAUDULENT ACTIVITY RELATED TO ANY MATTER  
9 UNDER THE JURISDICTION AND AUTHORITY OF THE DEPARTMENT UNDER  
10 EXECUTIVE REORGANIZATION ORDER NO. 2013-1, MCL 550.991.

11           (3) THE ANTI-FRAUD UNIT MAY DO ANY OF THE FOLLOWING:

12           (A) CONDUCT CRIMINAL BACKGROUND CHECKS ON APPLICANTS FOR  
13 LICENSES AND CURRENT LICENSEES IN ACCORDANCE WITH STATE AND FEDERAL  
14 LAW.

15           (B) COLLECT AND MAINTAIN CLAIMS OF CRIMINAL AND FRAUDULENT  
16 ACTIVITIES IN THE INSURANCE INDUSTRY.

17           (C) INVESTIGATE CLAIMS OF CRIMINAL AND FRAUDULENT ACTIVITY IN  
18 THE INSURANCE MARKET THAT, IF TRUE, WOULD CONSTITUTE A VIOLATION OF  
19 APPLICABLE STATE OR FEDERAL LAW, INCLUDING, BUT NOT LIMITED TO, THE  
20 MICHIGAN PENAL CODE, 1931 PA 328, MCL 750.1 TO 750.568, AND THIS  
21 ACT.

22           (D) MAINTAIN RECORDS OF CRIMINAL INVESTIGATIONS.

23           (E) SHARE RECORDS OF ITS INVESTIGATIONS WITH OTHER CRIMINAL  
24 JUSTICE AGENCIES.

25           (F) REVIEW INFORMATION FROM OTHER CRIMINAL JUSTICE AGENCIES TO  
26 ASSIST IN THE ENFORCEMENT AND INVESTIGATION OF ALL MATTERS UNDER  
27 THE AUTHORITY OF THE DIRECTOR.

1 (G) CONDUCT OUTREACH AND COORDINATION EFFORTS WITH LOCAL,  
2 STATE, AND FEDERAL LAW ENFORCEMENT AND REGULATORY AGENCIES TO  
3 PROMOTE INVESTIGATION AND PROSECUTION OF CRIMINAL AND FRAUDULENT  
4 ACTIVITIES IN THE INSURANCE MARKET.

5 SEC. 6302. (1) A DOCUMENT, MATERIAL, OR INFORMATION RELATED TO  
6 AN INVESTIGATION OF THE ANTI-FRAUD UNIT IS CONFIDENTIAL BY LAW AND  
7 PRIVILEGED, IS NOT SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976  
8 PA 442, MCL 15.231 TO 15.246, IS NOT SUBJECT TO SUBPOENA, AND IS  
9 NOT SUBJECT TO DISCOVERY OR ADMISSIBLE IN EVIDENCE IN ANY PRIVATE  
10 CIVIL ACTION. HOWEVER, THE DIRECTOR MAY USE THE DOCUMENTS,  
11 MATERIALS, OR INFORMATION IN THE FURTHERANCE OF ANY SUPERVISORY  
12 ACTIVITY OR LEGAL ACTION BROUGHT AS PART OF THE DIRECTOR'S DUTIES.

13 (2) THE DIRECTOR, OR ANY PERSON THAT RECEIVED DOCUMENTS,  
14 MATERIALS, OR INFORMATION WHILE ACTING ON BEHALF OF THE ANTI-FRAUD  
15 UNIT, IS NOT PERMITTED AND MAY NOT BE REQUIRED TO TESTIFY IN ANY  
16 PRIVATE CIVIL ACTION CONCERNING ANY CONFIDENTIAL DOCUMENTS,  
17 MATERIALS, OR INFORMATION DESCRIBED IN SUBSECTION (1).

18 (3) TO ASSIST IN THE PERFORMANCE OF THE ANTI-FRAUD UNIT'S  
19 DUTIES, THE DIRECTOR MAY DO ANY OF THE FOLLOWING:

20 (A) SHARE DOCUMENTS, MATERIALS, OR INFORMATION, INCLUDING THE  
21 CONFIDENTIAL AND PRIVILEGED DOCUMENTS, MATERIALS, OR INFORMATION  
22 THAT IS SUBJECT TO SUBSECTION (1), WITH ANY OF THE FOLLOWING:

23 (i) OTHER STATE, FEDERAL, AND INTERNATIONAL REGULATORY  
24 AGENCIES.

25 (ii) OTHER STATE, FEDERAL, AND INTERNATIONAL LAW ENFORCEMENT  
26 AUTHORITIES, IF THE RECIPIENT AGREES TO MAINTAIN THE  
27 CONFIDENTIALITY AND PRIVILEGED STATUS OF THE DOCUMENTS, MATERIALS,

1 OR INFORMATION.

2 (iii) ANY OTHER PERSON AS THE DIRECTOR CONSIDERS NECESSARY TO  
3 DISCHARGE THE ANTI-FRAUD UNIT'S DUTIES UNDER SECTION 6301 OR OTHER  
4 APPLICABLE LAW.

5 (B) RECEIVE DOCUMENTS, MATERIALS, OR INFORMATION, INCLUDING  
6 OTHERWISE CONFIDENTIAL AND PRIVILEGED DOCUMENTS, MATERIALS, OR  
7 INFORMATION, FROM ANY OF THE FOLLOWING:

8 (i) OTHER STATE, FEDERAL, AND INTERNATIONAL REGULATORY  
9 AGENCIES.

10 (ii) OTHER STATE, FEDERAL, AND INTERNATIONAL LAW ENFORCEMENT  
11 AUTHORITIES, IF THE RECIPIENT AGREES TO MAINTAIN THE  
12 CONFIDENTIALITY AND PRIVILEGED STATUS OF THE DOCUMENTS, MATERIALS,  
13 OR INFORMATION.

14 (iii) ANY OTHER PERSON AS THE DIRECTOR CONSIDERS NECESSARY TO  
15 DISCHARGE HIS OR HER DUTIES UNDER THIS ACT OR ANY OTHER APPLICABLE  
16 ACT.

17 (C) ENTER INTO AGREEMENTS GOVERNING THE SHARING AND USE OF  
18 INFORMATION THAT ARE CONSISTENT WITH THIS SECTION.

19 (4) THE DIRECTOR SHALL MAINTAIN AS CONFIDENTIAL AND PRIVILEGED  
20 ANY DOCUMENTS, MATERIALS, OR INFORMATION RECEIVED UNDER SUBSECTION  
21 (3)(B) WITH NOTICE OR THE UNDERSTANDING THAT THE DOCUMENTS,  
22 MATERIALS, OR INFORMATION IS CONFIDENTIAL AND PRIVILEGED UNDER THE  
23 LAWS OF THE JURISDICTION THAT IS THE SOURCE OF THE DOCUMENTS,  
24 MATERIALS, OR INFORMATION.

25 (5) THE DISCLOSURE OF ANY DOCUMENTS, MATERIALS, OR INFORMATION  
26 TO THE DIRECTOR, OR THE SHARING OF DOCUMENTS, MATERIALS, OR  
27 INFORMATION UNDER SUBSECTION (3), IS NOT A WAIVER OF, AND MUST NOT

1 BE CONSTRUED AS A WAIVER OF, ANY PRIVILEGE APPLICABLE TO OR CLAIM  
2 OF CONFIDENTIALITY IN THOSE DOCUMENTS, MATERIALS, OR INFORMATION.

3 SEC. 6303. (1) BEGINNING JULY 1 OF THE YEAR AFTER THE  
4 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, THE  
5 ANTI-FRAUD UNIT SHALL PREPARE AND PUBLISH AN ANNUAL REPORT TO THE  
6 LEGISLATURE ON THE ANTI-FRAUD UNIT'S EFFORTS TO PREVENT AUTOMOBILE  
7 INSURANCE FRAUD.

8 (2) THE ANTI-FRAUD UNIT SHALL SUBMIT THE ANNUAL REPORT TO THE  
9 LEGISLATURE REQUIRED BY THIS SECTION TO THE STANDING COMMITTEES OF  
10 THE SENATE AND HOUSE OF REPRESENTATIVES WITH PRIMARY JURISDICTION  
11 OVER INSURANCE ISSUES AND THE DIRECTOR.

12 SEC. 6304. THIS CHAPTER DOES NOT LIMIT THE POWER OF THE ANTI-  
13 FRAUD UNIT TO CONDUCT ACTIVITIES UNDER EXECUTIVE ORDER NO. 2018-9  
14 WITH RESPECT TO THE FINANCIAL SERVICES INDUSTRY OR MARKETS.

15 Enacting section 1. Section 3112 of the insurance code of  
16 1956, 1956 PA 218, MCL 500.3112, as amended by this amendatory act,  
17 applies to products, services, or accommodations provided after the  
18 effective date of this amendatory act.

19 Enacting section 2. Section 3135 of the insurance code of  
20 1956, 1956 PA 218, MCL 500.3135, as amended by this amendatory act,  
21 is intended to codify and give full effect to the opinion of the  
22 Michigan supreme court in *McCormick v Carrier*, 487 Mich 180 (2010).