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
Sec. 150. (1) Any person who violates any provision of this act for which a specific penalty is not provided under any other provision of this act or of other laws applicable to the violation shall be afforded an opportunity for a hearing before the commissioner pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 1969 PA 306, MCL 24.201 to 24.328. If the commissioner finds that a violation has occurred, the commissioner shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the commissioner may order any of the following:
(a) Payment of a civil fine of not more than $500.00\textendash} $1,000.00 for each violation. However, if the person knew or reasonably should have known that he or she was in violation of this act, the commissioner\textendash} DIRECTOR may order the payment of a civil fine of not more than $2,500.00\textendash} $5,000.00 for each violation. With respect to filings made under chapters 21, 22, 23, 24, and 26, "violation" means a filing not in compliance with the provisions of those chapters and does not include an action with respect to an individual policy based upon a noncomplying filing. An order of the commissioner\textendash} DIRECTOR under this subdivision shall \textbf{MUST} not require the payment of civil fines exceeding $25,000.00\textendash} $50,000.00. A fine collected under this subdivision shall \textbf{MUST} be turned over to the state treasurer and credited to the general fund.

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

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

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

(4) The commissioner may apply to the Ingham county circuit court for an order of the court enjoining a violation of this act.

Sec. 224. (1) All actual and necessary expenses incurred in connection with the examination or other investigation of an insurer or other person regulated under the commissioner's authority shall be certified by the commissioner, together with a statement of the work performed including the number of days spent by the commissioner and each of the commissioner's deputies, assistants, employees, and others acting under the commissioner's authority. If correct, the expenses shall be paid to the persons by whom they were incurred, upon the warrant of the state treasurer payable from appropriations made by the legislature for this purpose.

(2) Except as otherwise provided in subsection (4), the commissioner shall prepare and present to the insurer or other person examined or investigated a statement of the expenses and reasonable cost incurred for each person engaged in the examination or investigation, including amounts necessary to cover the pay and allowances granted to the persons by the Michigan civil service commission, and the administration and supervisory expense including an amount necessary to cover fringe benefits in
conjunction with the examination or investigation. Except as otherwise provided in subsection (4), the insurer or other person, upon receiving the statement, shall pay to the commissioner the stated amount. The commissioner shall deposit the funds with the state treasurer as provided in section 225.

(3) The commissioner may employ attorneys, actuarial personnel, accountants, investment advisers, and other expert personnel not otherwise employees of this state reasonably necessary to assist in the conduct of the examination or investigation or proceeding with respect to an insurer or other person regulated under the commissioner's authority at the insurer's or other person's expense except as otherwise provided in subsection (4). Except as otherwise provided in subsection (4), upon certification by the commissioner of the reasonable expenses incurred under this section, the insurer or other person examined or investigated shall pay those expenses directly to the person or firm rendering assistance to the commissioner. Expenses paid directly to such person or firm and the regulatory fees imposed by this section shall be examination expenses under section 22e of the former single business tax act, 1975 PA 228, or under section 239(1) of the Michigan business tax act, 2007 PA 36, MCL 208.1239.

(4) An insurer is subject to a regulatory fee instead of the costs and expenses provided for in subsections (2) and (3). By June 30 of each year or within 30 days after the enactment into law of any appropriation for the insurance bureau's DEPARTMENT'S
operation, the **commissioner** **DIRECTOR** shall impose upon all insurers authorized to do business in this state a regulatory fee calculated as follows:

(a) As used in this subsection:

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

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

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

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

(v) Total regulatory fee **MUST** not exceed 80% of the gross appropriations for the insurance bureau's **DEPARTMENT’S** operation for a fiscal year and **MUST** be the difference between the gross appropriations for the insurance bureau's **DEPARTMENT’S** operation for that current fiscal year and any restricted revenues, other than the regulatory fee itself, as identified in the gross appropriation for the insurance bureau's **DEPARTMENT’S** operation.
(vi) Direct premiums written in this state do not include any amounts that represent claims payments that are made on behalf of, or administrative fees that are paid in connection with, any administrative service contract, cost-plus arrangement, or any other noninsured or self-insured business.

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

(i) \[ L \times B + 0.75 \times B \times A = \text{assessment rate for life insurance.} \]

(ii) \[ I \times B + 0.25 \times B \times A = \text{assessment rate for insurance other than life insurance.} \]

(c) Each insurer's regulatory fee must be a minimum fee of $250.00 and must be determined by multiplying the actual assessment rate by the assessment base of that insurer as determined by the commissioner from the insurer's annual statement for the immediately preceding calendar year filed with the commissioner.

(5) Not less than 67%–55% of the revenue derived from the regulatory fee under subsection (4) may be used for the regulation of financial conduct of persons regulated under the commissioner's authority and for the regulation of persons regulated under the commissioner's authority engaged in the business of health care and health insurance in this state.
(6) The amount, if any, by which amounts credited to the commissioner pursuant to DIRECTOR UNDER section 225 exceed actual expenditures pursuant to UNDER appropriations for the insurance bureau's DEPARTMENT'S operation for a fiscal year shall MUST be credited toward the appropriation for the insurance bureau DEPARTMENT in the next fiscal year.

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

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

(9) An insurer may file with the commissioner DIRECTOR a protest to the regulatory fee imposed not later than 15 days after receipt of the regulatory fee. The commissioner DIRECTOR shall review the grounds for the protest and shall hold a conference with the insurer at the insurer's request. The commissioner DIRECTOR shall transmit his or her findings to the insurer with a restatement of the regulatory fee based upon ON the findings. Statements of regulatory fees to which protests have not been made and restatements of regulatory fees are due and shall MUST be paid
not later than 30 days after their receipt. Regulatory fees that
are not paid when due bear interest on the unpaid fee, which shall
MUST be calculated at 6-month intervals from the date the fee was
due at a rate of interest equal to 1% plus the average interest
rate paid at auctions of 5-year United States treasury notes during
the 6 months immediately preceding July 1 and January 1, as
certified by the state treasurer, and compounded annually, until
the assessment is paid in full. An insurer who fails to pay its
regulatory fee within the prescribed time limits may have its
certificate of authority or license suspended, limited, or revoked
as the commissioner DIRECTOR considers warranted until the
regulatory fee is paid. If the commissioner DIRECTOR determines
that a regulatory fee or a part of a regulatory fee paid by an
insurer is in excess of the amount legally due and payable, the
amount of the excess shall MUST be refunded or, at the insurer's
option, be applied as a credit against the regulatory fee for the
next fiscal year. An overpayment of $100.00 or less shall MUST be
applied as a credit against the insurer's regulatory fee for the
next fiscal year unless the insurer had a $100.00 or less
overpayment in the immediately preceding fiscal year. If the
insurer had a $100.00 or less overpayment in the immediately
preceding fiscal year, at the insurer's option, the current fiscal
year overpayment of $100.00 or less shall MUST be refunded.
(10) Any amounts stated and presented to or certified,
assessed, or imposed upon an insurer as provided in subsections
(2), (3), and (4) that are unpaid as of the date that the insurer
is subjected to a delinquency proceeding pursuant to chapter
shall be regarded as an expense of administering the delinquency proceeding and shall be payable as such from the general assets of the insurer.

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

(12) As used in this section:

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

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

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

(A) ADVISES THAT THE DEPARTMENT MAY BE ABLE TO ASSIST A PERSON WHO BELIEVES THAT AN AUTOMOBILE INSURER IS NOT PAYING BENEFITS, NOT MAKING TIMELY PAYMENTS, OR OTHERWISE NOT PERFORMING AS IT IS OBLIGATED TO DO UNDER AN INSURANCE POLICY.
(B) ADVISES THE PERSON OF SELECTED IMPORTANT RIGHTS THAT THE PERSON HAS UNDER CHAPTER 20 THAT SPECIFICALLY RELATE TO AUTOMOBILE INSURERS AND THE PAYMENT OF BENEFITS BY AUTOMOBILE INSURERS.

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

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

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

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

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

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

Sec. 1244. (1) If the commissioner—DIRECTOR finds that a person has violated this chapter, after an opportunity for a hearing pursuant to UNDER the administrative procedures act of
1969, 1969 PA 306, MCL 24.201 to 24.328, the commissioner DIRECTOR
shall reduce the findings and decision to writing and shall issue
and cause to be served upon the person charged with the
violation a copy of the findings and an order requiring the person
to cease and desist from the violation. In addition, the
commissioner DIRECTOR may order any of the following:

(a) Payment of a civil fine of not more than $500.00–$1,000.00
for each violation. However, if the person knew or reasonably
should have known that he or she was in violation of this chapter,
the commissioner DIRECTOR may order the payment of a civil fine of
not more than $2,500.00–$5,000.00 for each violation. An order of
the commissioner DIRECTOR under this subsection shall not
require the payment of civil fines exceeding $25,000.00.
A fine collected under this subdivision shall be
turned over to the state treasurer and credited to the general fund
of the state.

(b) A refund of any overcharges.

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

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

(2) The commissioner DIRECTOR may by order, after notice and
opportunity for hearing, reopen and alter, modify, or set aside, in
whole or in part, an order issued under this section, if in the
opinion of the commissioner DIRECTOR conditions of fact or of law
have changed to require that action, or if the public interest
requires that action.
(3) If a person knowingly violates a cease and desist order under this chapter and has been given notice and an opportunity for a hearing held pursuant to UNDER the administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to 24.328, the commissioner DIRECTOR may order a civil fine of not more than $10,000.00 $20,000.00 for each violation, or a suspension or revocation of the person's license, or both. An order issued by the commissioner DIRECTOR under this subsection shall MUST not require the payment of civil fines exceeding $50,000.00 $100,000.00. A fine collected under this subsection shall MUST be turned over to the state treasurer and credited to the general fund of the THIS state.

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

SEC. 2013A. (1) THE FAILURE OF AN INSURER TO MATERIALLY COMPLY WITH SECTION 3107E IS AN UNFAIR METHOD OF COMPETITION AND AN UNFAIR OR DECEPTIVE ACT OR PRACTICE IN THE BUSINESS OF INSURANCE. (2) THIS SECTION DOES NOT AFFECT ANY OTHER RIGHT OF A PERSON UNDER THIS CHAPTER.

Sec. 2038. (1) If, after opportunity for a hearing held pursuant to Act No. 306 of the Public Acts of UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, as amended, 1969 PA 306, MCL 24.201 TO 24.328, the commissioner DIRECTOR determines that the person complained of has engaged in methods of competition or unfair or deceptive acts or practices prohibited by sections 2001 to 2050, the commissioner DIRECTOR shall reduce his OR HER findings
and decision to writing and shall issue and cause to be served upon
the person charged with the violation a copy of the findings and
an order requiring the person to cease and desist from engaging in
that method of competition, act, or practice. and the commissioner
THE DIRECTOR may ALSO order any of the following:

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

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

(c) Refund of any overcharges.

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

(3) Until the expiration of IF A PETITION FOR REVIEW HAS NOT
BEEN FILED WITHIN the time allowed under section 244, for filing a
petition for review if a petition has not been duly filed within
that time UNTIL THE TIME FOR FILING THE PETITION EXPIRES or, if a
petition for review has been filed within that time, then until the
transcript of the record in the proceeding has been filed in the
IN THIS CHAPTER, the commissioner, upon notice and in a manner as he shall deem proper, may modify or set aside in whole or in part an order issued by him under this section.

(4) After the expiration of the time allowed for filing a petition for review, if a petition has not been duly filed within that time, the commissioner may at any time, by order, after notice and opportunity for hearing, reopen and alter, modify, or set aside, in whole or in part, an order issued by him under this section, when in his opinion conditions of fact or of law have so changed as to require that action or if required by the public interest.

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

(a) A monetary penalty of not more than $10,000.00 for each violation.

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

(2) The filing of a petition for review does not stay enforcement pursuant to this section, but the commissioner may grant, or the appropriate court may order, a stay upon appropriate terms.

(3) A cease and desist order issued by the commissioner pursuant to section 2043 shall not contain
fines or other penalties applicable to acts or omissions occurring prior to THAT OCCUR BEFORE the date of the cease and desist order.

Sec. 2069. Any AN insurer, agent, solicitor, or any OTHER person, firm, association, or corporation, violating any of the provisions of sections THAT VIOLATES SECTION 2064 and OR 2066 shall be IS guilty of a misdemeanor. Upon ON conviction of violating section 2066, the offender SHALL MUST be sentenced to pay a fine of not more than $100.00 for each violation, or in the discretion of the court, to imprisonment in the county jail of the county in which the offense is committed. Upon ON conviction of violating section 2064, the offender SHALL MUST be sentenced to pay a fine of not more than $1,000.00–$2,000.00 for each violation, or in the discretion of the court, to imprisonment in the county jail of the county in which the offense is committed.

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

(2) This EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN SUBSECTION (4) AND THIS CHAPTER, THIS chapter SHALL DOES not apply to insurance written on a group, franchise, blanket policy, or similar basis which THAT offers home insurance or automobile insurance to all members of the group, franchise plan, or blanket coverage who are eligible persons.
(3) FOR PURPOSES OF THIS SECTION, A GROUP PLAN INCLUDES A FRANCHISE PLAN, AND, EXCEPT AS PROVIDED IN SUBSECTION (4), IS EXEMPT FROM THIS CHAPTER IF THE GROUP MEETS ALL OF THE FOLLOWING CRITERIA:

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

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

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

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


(4) AN INSURER, INCLUDING, BUT NOT LIMITED TO, AN INSURER THAT writes insurance as described in subsection (2), SHALL NOT ESTABLISH OR MAINTAIN RATES OR RATING CLASSIFICATIONS FOR AUTOMOBILE INSURANCE BASED ON A FACTOR THAT IS NOT ALLOWED, OR THAT IS PROHIBITED, UNDER SECTION 2111. THIS SUBSECTION DOES NOT PROHIBIT A GROUP DISCOUNT OFFERED TO A GROUP BASED ON THE LOSSES OR EXPENSES, OR BOTH, OF THE GROUP BUT DOES PROHIBIT GROUP MEMBERSHIP BASED ON HOME OWNERSHIP OR POSTAL ZONE.

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

(6) THE AMENDMENTS TO THIS CHAPTER MADE BY THE AMENDATORY ACT
THAT ADDED THIS SUBSECTION APPLY BEGINNING JULY 1, 2020.

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

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

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

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

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

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

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

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

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

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

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

(d) Any other relevant information.

(5) Except as otherwise provided in this subsection, the
department shall make a filing under this section and any
accompanying information open to public inspection on filing. An
insurer or a rating organization filing on the insurer's behalf may
designate information included in the filing or any accompanying
information as a trade secret. The insurer or the rating
organization filing on behalf of the insurer shall demonstrate to
the director that the designated information is a trade secret. If the director determines that the information is a trade secret, the information is not subject to public inspection and is exempt from DISCLOSURE UNDER the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246. As used in this subsection, "trade secret" means that term as defined in section 2 of the uniform trade secrets act, 1998 PA 448, MCL 445.1902. However, trade secret does not include filings and information accompanying filings under this section that were subject to public inspection before the effective date of the amendatory act that added this sentence. JANUARY 11, 2016.

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

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

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

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

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

(a) With respect to all automobile insurance coverages:

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

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

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

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

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

(vi) Daily or weekly commuting mileage.

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

(viii) Amount of insurance.

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

(i) Earned income.

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

(iii) Coordination of benefits.

(iv) Use of a safety belt.

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

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

(ii) Vehicle make and model.

(iii) Vehicle design characteristics related to vehicle damageability.

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

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

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

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

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

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

(a) Substantially at-fault accidents.
(b) Convictions for, determinations of responsibility for civil infractions for, or findings of responsibility in probate court for civil infractions for violations under chapter VI of the Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750.

However, an insured shall not be merit rated for a civil infraction under chapter VI of the Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750, for a period of time longer than that which the secretary of state's office carries points for that infraction on the insured's motor vehicle record.
(4) An insurer shall not establish or maintain rates or rating classifications for automobile insurance based on sex or marital any of the following:

(A) SEX.

(B) MARITAL status.

(C) HOME OWNERSHIP.

(D) EDUCATIONAL LEVEL ATTAINED.

(E) OCCUPATION.

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

(G) CREDIT SCORE AS PROVIDED IN SECTION 2162.

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

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

(7) Classifications established under this section for home insurance other than inland marine insurance provided by policy floaters or endorsements shall be based only on 1 or more of the following factors:
(a) Amount and types of coverage.
(b) Security and safety devices, including locks, smoke detectors, and similar, related devices.
(c) Repairable structural defects reasonably related to risk.
(d) Fire protection class.
(e) Construction of structure, based on structure size, building material components, and number of units.
(f) Loss experience of the insured, based on prior claims attributable to factors under the control of the insured that have been paid by an insurer. An insured's failure, after written notice from the insurer, to correct a physical condition that presents a risk of repeated loss shall be considered a factor under the control of the insured for purposes of this subdivision.
(g) Use of smoking materials within the structure.
(h) Distance of the structure from a fire hydrant.
(i) Availability of law enforcement or crime prevention services.

(9) Notwithstanding other provisions of this chapter, home insurance risks may be grouped by territory.

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

SEC. 2111F. (1) BEFORE JULY 1, 2020, AN INSURER THAT OFFERS AUTOMOBILE INSURANCE IN THIS STATE SHALL FILE PREMIUM RATES FOR PERSONAL PROTECTION INSURANCE COVERAGE FOR AUTOMOBILE INSURANCE POLICIES EFFECTIVE AFTER JULY 1, 2020.
(2) SUBJECT TO SUBSECTIONS (6) AND (7), THE PREMIUM RATES FILED AS REQUIRED BY SUBSECTION (1), AND ANY SUBSEQUENT PREMIUM RATES FILED BY THE INSURER FOR PERSONAL PROTECTION INSURANCE COVERAGE UNDER AUTOMOBILE INSURANCE POLICIES EFFECTIVE BEFORE JULY 1, 2028, MUST RESULT, AS NEARLY AS PRACTICABLE, IN AN AVERAGE REDUCTION PER VEHICLE FROM THE PREMIUM RATES FOR PERSONAL PROTECTION INSURANCE COVERAGE THAT WERE IN EFFECT FOR THE INSURER ON MAY 1, 2019 AS FOLLOWS:

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

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

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

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

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

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

JULY 1, 2024

12 AND FOR THE YEAR BEGINNING JULY 1, 2026, AN AUTOMOBILE INSURER THAT

13 OFFERS AUTOMOBILE INSURANCE IN THIS STATE SHALL MAKE FILINGS

14 DEMONSTRATING ITS COMPLIANCE WITH THIS SECTION.

15 (7) AT ANY TIME, AN INSURER MAY APPLY TO THE DIRECTOR FOR

16 APPROVAL TO FILE RATES THAT RESULT IN A LOWER PREMIUM REDUCTION

17 LEVEL OR AN EXEMPTION FROM THE REQUIREMENTS OF SUBSECTION (2) AND

18 THE DIRECTOR SHALL APPROVE THE APPLICATION IF THE RATES OTHERWISE

19 COMPLY WITH THIS ACT AND COMPLIANCE WITH THE PREMIUM REDUCTIONS

20 REQUIRED BY SUBSECTION (2) WILL RESULT IN ANY OF THE FOLLOWING:

21 (A) THE INSURER REACHING THE COMPANY ACTION LEVEL RISK BASED

22 CAPITAL.

23 (B) A VIOLATION OF THE FOURTEENTH AMENDMENT OF THE UNITED

24 STATES CONSTITUTION AS TO THE INSURER. THIS SUBDIVISION DOES NOT

25 APPLY AFTER JULY 1, 2023.

26 (C) A VIOLATION OF SECTION 17 OF ARTICLE I OF THE STATE

27 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
SEC. 2116B. (1) SUBJECT TO SUBSECTION (2), AN AUTOMOBILE INSURER SHALL NOT REFUSE TO INSURE, REFUSE TO CONTINUE TO INSURE, LIMIT COVERAGE AVAILABLE TO, CHARGE A REINSTATEMENT FEE FOR, OR INCREASE THE PREMIUMS FOR AUTOMOBILE INSURANCE FOR AN ELIGIBLE PERSON SOLELY BECAUSE THE PERSON PREVIOUSLY FAILED TO MAINTAIN INSURANCE REQUIRED BY SECTION 3101 FOR A VEHICLE OWNED BY THE PERSON. 

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

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

(2) The underwriting rules that an insurer may establish for automobile insurance shall MUST be based only on the following:
(a) Criteria identical to the standards set forth in section 2103(1).

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

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

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

(e) Type of vehicle insured or to be insured, based on 1 of the following, without regard to the age of the vehicle:
(i) The vehicle is of limited production or of custom manufacture.

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

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

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

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

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

(i) Total abstinence from the consumption of alcoholic beverages except if such beverages are consumed as part of a religious ceremony. However, an insurer shall not utilize an underwriting rule based on this subdivision unless the insurer has been authorized to transact automobile insurance in this state prior to January 1, 1981, and has consistently utilized
such an underwriting rule as part of the insurer's automobile
insurance underwriting since being authorized to transact
automobile insurance in this state.

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

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

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

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

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

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

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

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

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

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

Sec. 2151. As used in this chapter:

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

THAT, for monetary fees or dues or on a cooperative nonprofit basis,
gerently engages in whole or in part in the practice of assembling
or evaluating consumer credit information or other information on
consumers for the purpose of furnishing consumer reports to third
parties.

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

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

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

(F) "Insurance score" means a number or rating that is
derived from an algorithm, computer application, model, or other
process that is based in whole or in part on credit information for
the purposes of predicting the future insurance loss exposure of an
individual applicant or insured.
"Personal insurance" means property/casualty insurance written for personal, family, or household use, including automobile, home, motorcycle, mobile home, noncommercial dwelling fire, boat, personal watercraft, snowmobile, and recreational vehicle, whether written on an individual, group, franchise, blanket policy, or similar basis.

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

Sec. 3009. (1) An automobile liability or motor vehicle liability policy insuring against loss resulting from liability imposed by law for property damage, bodily injury, or death suffered by any person arising out of the ownership, maintenance, or use of a motor vehicle shall not be delivered or issued for delivery in this state with respect to any motor vehicle registered or principally garaged in this state unless the liability coverage is subject to all of the following limits:

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

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

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

(2) If authorized by the insured, automobile liability or
motor vehicle liability coverage may be excluded when a vehicle is
operated by a named person. An exclusion under this subsection is
not valid unless the following notice is on the face of the policy
or the declaration page or certificate of the policy and on the
certificate of insurance:

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

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

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

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

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

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

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

Sec. 3101. (1) The owner or registrant of a motor vehicle required to be
registered in this state shall maintain security for payment of benefits under personal protection insurance AND property protection insurance AS REQUIRED UNDER THIS CHAPTER, and residual liability insurance. Security is only required to be in effect during the period the motor vehicle is driven or moved on a highway. [Notwithstanding any other provision in this act, an
As used in this chapter:
(a) "Automobile insurance" means that term as defined in section 2102.
(b) "Commercial quadricycle" means a vehicle to which all of the following apply:
   (i) The vehicle has fully operative pedals for propulsion entirely by human power.
   (ii) The vehicle has at least 4 wheels and is operated in a manner similar to a bicycle.
   (iii) The vehicle has at least 6 seats for passengers.
   (iv) The vehicle is designed to be occupied by a driver and powered either by passengers providing pedal power to the drive train of the vehicle or by a motor capable of propelling the vehicle in the absence of human power.
   (v) The vehicle is used for commercial purposes.
   (vi) The vehicle is operated by the owner of the vehicle or an employee of the owner of the vehicle.
(c) "Electric bicycle" means that term as defined in section 13e of the Michigan vehicle code, 1949 PA 300, MCL 257.13e.
(d) "Golf cart" means a vehicle designed for transportation while playing the game of golf.
(e) "Highway" means highway or street as that term is defined.
in section 20 of the Michigan vehicle code, 1949 PA 300, MCL 257.20.

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

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

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

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

(i) A motorcycle.

(ii) A moped.

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

(iv) An ORV.

(v) A golf cart.
(vi) A power-driven mobility device.
(vii) A commercial quadricycle.
(viii) An electric bicycle.
(j) "Motor vehicle accident" means a loss that involves the ownership, operation, maintenance, or use of a motor vehicle as a motor vehicle regardless of whether the accident also involves the ownership, operation, maintenance, or use of a motorcycle as a motorcycle.
(k) "ORV" means a motor-driven recreation vehicle designed for off-road use and capable of cross-country travel without benefit of road or trail, on or immediately over land, snow, ice, marsh, swampland, or other natural terrain. ORV includes, but is not limited to, a multitrack or multiwheel drive vehicle, a motorcycle or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious machine, a ground effect air cushion vehicle, an ATV as defined in section 81101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101, or other means of transportation deriving motive power from a source other than muscle or wind. ORV does not include a vehicle described in this subdivision that is registered for use on a public highway and has the security required under subsection (1) or section 3103 in effect.
(l) "Owner" means any of the following:
(i) A person renting a motor vehicle or having the use of a motor vehicle, under a lease or otherwise, for a period that is greater than 30 days.
(ii) A person renting a motorcycle or having the use of a motorcycle under a lease for a period that is greater than 30 days,
or otherwise for a period that is greater than 30 consecutive days. A person who borrows a motorcycle for a period that is less than 30 consecutive days with the consent of the owner is not an owner under this subparagraph.

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

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

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

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

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

[(4)(5)] Security required by subsection (1) may be provided by any
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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.

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

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

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

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

(4) The secretary of state shall accept as proof of vehicle insurance a transmission of the insured vehicle's vehicle identification number. Policy information submitted by an insurer and received by the secretary of state under this section is confidential, is not subject to the freedom of information act, 1976 PA 442, MCL 15.231 to 15.246, and shall not be disclosed to any person except the department of health and human services for purposes of 2006 PA 593, MCL 550.281 to 550.289, or pursuant to an order by a court of competent jurisdiction in connection with a claim or fraud investigation or prosecution. The transmission to the secretary of state of a vehicle identification number is proof of insurance to the secretary of state for motor vehicle
registration purposes only and is not evidence that a policy of
insurance actually exists between an insurer and an individual.

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

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

(7) As used in this section:
(a) "Automobile insurance" means that term as defined in
section 3303.
(b) "Private passenger nonfleet automobile" means that term as
defined in section 3303.

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

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

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

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

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

(d) For a motor vehicle accident policy issued or renewed during the period July 1, 2004 to June 30, 2005, $350,000.00.
(e) For a motor vehicle accident policy issued or renewed during the period July 1, 2005 to June 30, 2006, $375,000.00.

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

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

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

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

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

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

(l) For a motor vehicle accident policy issued or renewed during the period July 1, 2013 to June 30, 2015, $530,000.00.

(M) For a motor vehicle accident policy issued or renewed during the period July 1, 2015 to June 30, 2017, $545,000.00.

(N) For a motor vehicle accident policy issued or renewed during the period July 1, 2017 to June 30, 2019, $555,000.00.

(O) For a motor vehicle accident policy issued or renewed during the period July 1, 2019 to June 30, 2021, $580,000.00.

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

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

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

(5) An unsatisfied net liability to the association of an insolvent member shall be assumed by and apportioned among the remaining members of the association as provided in the plan of operation. The association has all rights allowed by law on behalf of the remaining members against the estate or funds of the insolvent member for sum due the association.

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

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

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

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

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

(d) In a manner provided for in the plan of operation, calculate and charge to members of the association a total premium sufficient to cover the expected losses and expenses of the association that the association will likely incur during the period for which the premium is applicable. The total premium shall include an amount to cover incurred but not reported losses for the period and may be adjusted for any excess or deficient premiums from previous periods. Excesses or deficiencies from previous periods may either be fully adjusted in a single period or may be adjusted over several periods in a manner provided for in the plan of operation. Each member shall be charged an amount equal to that member's total written car years of insurance providing the security required by section 3101(1) or 3103(1), or both, written in this state during the period to which the premium
applies, WITH THE TOTAL WRITTEN CAR YEARS OF INSURANCE multiplied by the APPLICABLE average premium per car. The average premium per car shall be IS the total premium, calculated AS ADJUSTED FOR ANY EXCESSES OR DEFICIENCIES, divided by the total written car years of insurance providing the security required by section 3101(1) or 3103(1), OR BOTH, written in this state of all members during the period to which the premium applies, EXCLUDING CARS INSURED UNDER A POLICY WITH A COVERAGE LIMIT UNDER SECTION 3107C(1)(A), (B), OR (C), CARS AS TO WHICH AN ELECTION TO NOT MAINTAIN PERSONAL PROTECTION INSURANCE BENEFITS HAS BEEN MADE UNDER SECTION 3107D, OR AS TO WHICH AN EXCLUSION UNDER SECTION 3109A(2) APPLIES, EXCEPT FOR ANY PORTION OF TOTAL PREMIUM THAT IS AN ADJUSTMENT FOR A DEFICIENCY IN A PREVIOUS PERIOD. A MEMBER MAY NOT BE CHARGED A PREMIUM FOR A CAR INSURED UNDER A POLICY WITH A COVERAGE LIMIT UNDER SECTION 3107C(1)(A), (B), OR (C), AS TO WHICH AN ELECTION TO NOT MAINTAIN PERSONAL PROTECTION INSURANCE BENEFITS HAS BEEN MADE UNDER SECTION 3107D, OR AS TO WHICH AN EXCLUSION UNDER SECTION 3109A(2) APPLIES, OTHER THAN FOR THE PORTION OF THE TOTAL PREMIUM ATTRIBUTABLE TO AN ADJUSTMENT FOR A DEFICIENCY IN A PREVIOUS PERIOD. A member shall MUST be charged a premium for a historic vehicle that is insured with the member of 20% of the premium charged for a car insured with the member. As used in this subdivision:

(i) "Car" includes a motorcycle but does not include a historic vehicle.

(ii) "Historic vehicle" means a vehicle that is a registered historic vehicle under section 803a or 803p of the Michigan vehicle code, 1949 PA 300, MCL 257.803a and 257.803p.
(e) Require and accept the payment of premiums from members of the association as provided for in the plan of operation. The association shall do either of the following:

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

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

(f) Receive and distribute all money required by the operation of the association.

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

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

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

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

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

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

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

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

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

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

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

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

(10) The plan of operation must provide for all of the following:

(a) The establishment of necessary facilities.
(b) The management and operation of the association.
(c) Procedures to be utilized in charging premiums, including adjustments from excess or deficient premiums from prior periods. THE PLAN MUST REQUIRE THAT ANY DEFICIENCY FROM A PRIOR PERIOD BE AMORTIZED OVER NOT FEWER THAN 15 YEARS.

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

(E) (d) Procedures governing the actual payment of premiums to the association.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(21) (23) The commissioner—DIRECTOR or an authorized representative of the commissioner—DIRECTOR may visit the 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

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

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

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

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

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

(D) FOR EACH OF THE PRECEDING 10 YEARS, THE RATIO OF CLAIMS OPENED TO CLAIMS CLOSED.
(E) FOR EACH OF THE PRECEDING 10 YEARS, THE AVERAGE LENGTH OF
OPEN CLAIMS.

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

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

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

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

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

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

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

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

(N) A LOSS PAYMENT SUMMARY FOR EACH OF THE PRECEDING YEARS BY
(O) For each of the preceding 10 years, an injury type summary, categorizing the injuries suffered by claimants the payment of whose claims are being reimbursed by the association, by brain injuries, injuries resulting in quadriplegia, injuries resulting in paraplegia, burn injuries, and other injuries.

(P) A summary of investment returns over the preceding 10 years showing the investment balance, the investment gain, and the percentage return on the investment balance.

(Q) A summary of the mortality assumptions used in making cost projections.

(R) A summary of any financial practices that differ from those found in the National Association of Insurance Commissioners accounting practices and procedures manual.

(26) By September 1 of each year, the association shall prepare and provide to the committees of the Senate and House of Representatives with jurisdiction over insurance matters an annual report of the association. The report must contain all of the following:

(A) An executive summary.

(B) A discussion of the mortality assumptions used by the association in making cost projections.

(C) An evaluation of the accuracy of the association's actuarial assumptions over the preceding 5 years.

(D) The annual consumer statement prepared under subsection (25).

(E) Anything else the association determines is necessary to
ADVISE THE LEGISLATURE ABOUT THE OPERATIONS OF THE ASSOCIATION.

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

(28) (25) As used in this section:

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

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

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

(D) (a) "Consumer price index" means the percentage of change in the consumer price index for all urban consumers in the United States city average for all items for the 24 months prior to October 1 of the year prior to the July 1 effective date of the biennial adjustment under subsection (2)(k) as reported by the United States department of labor, bureau of labor statistics, and as certified by the commissioner.

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

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

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

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

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

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

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

(b) Work loss consisting of loss of income from work an injured person would have performed during the first 3 years after the date of the accident if he or she had not been injured. Work loss does not include any loss after the date on which the injured person dies. Because the benefits received from personal protection insurance for loss of income are not taxable income, the benefits payable for such THE loss of income shall 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
16 (c) Expenses not exceeding $20.00 per day, reasonably incurred
17 in obtaining ordinary and necessary services in lieu of those that,
18 if he or she had not been injured, an injured person would have
19 performed during the first 3 years after the date of the accident,
20 not for income but for the benefit of himself or herself or of his
21 or her dependent.
22
23 (2) Both of the following apply to personal protection
24 insurance benefits payable under subsection (1):
25
26 (a) A person who is 60 years of age or older and in the event
27 of an accidental bodily injury would not be eligible to receive
28 work loss benefits under subsection (1)(b) may waive coverage for
29 work loss benefits by signing a waiver on a form provided by the
30 insurer. An insurer shall offer a reduced premium rate to a person
who waives coverage under this subsection for work loss benefits. Waiver of coverage for work loss benefits applies only to work loss benefits payable to the person or persons who have signed the waiver form.

(b) An insurer shall not be required to provide coverage for the medical use of marihuana or for expenses related to the medical use of marihuana.

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

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

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

(ii) THE APPLICANT'S OR NAMED INSURED'S SPOUSE AND ANY RELATIVE OF EITHER WHO RESIDES IN THE SAME HOUSEHOLD HAS QUALIFIED HEALTH COVERAGE, AS THAT TERM IS DEFINED IN SECTION 3107D, IS ENROLLED IN MEDICAID, OR HAS COVERAGE FOR THE PAYMENT OF BENEFITS UNDER SECTION 3107(1)(A) FROM AN INSURER THAT PROVIDES THE SECURITY REQUIRED BY SECTION 3101(1).
(B) A LIMIT OF $250,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE FOR ANY PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1)(A).

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(8) THIS SECTION ALSO APPLIES TO SECURITY REQUIRED UNDER SECTION 3101(1) THAT IS PROVIDED BY A RENTAL CAR COMPANY CERTIFIED BY THE DIRECTOR AS A SELF-INSURER UNDER SECTION 3101D. THE DIRECTOR SHALL PROVIDE A FORM FOR THE RENTAL CAR COMPANY TO PROVIDE TO ALLOW A CUSTOMER TO MAKE THE SELECTION OF A COVERAGE LEVEL UNDER SUBSECTION (1)(B), (C), OR (D).
(9) An insurer shall offer, for a policy that provides the security required under section 3101(1) to which a limit under subsection (1)(A) to (C) applies, a rider that will provide coverage for attendant care in excess of the applicable limit.

Sec. 3107D. (1) For an insurance policy that provides the security required under section 3101(1) and is issued or renewed after July 1, 2020, the applicant or named insured may, in a way required under section 3107E and on a form approved by the director, elect to not maintain coverage for personal protection insurance benefits payable under section 3107(1)(A) if the applicant or named insured is a qualified person, and if the applicant's or named insured's spouse and any relative of either that resides in the same household have qualified health coverage or have coverage for benefits payable under section 3107(1)(A) from an insurer that provides the security required by section 3101(1).

(2) An applicant or named insured shall, when requesting issuance or renewal of a policy under subsection (1), provide to the insurer a document from the person that provides the qualified health coverage stating the names of all persons covered under the qualified health coverage.

(3) The form required under subsection (1) must do all of the following:

(A) Require the applicant or named insured to mark the form to certify whether all persons required to be qualified persons under subsection (1) are qualified persons.

(B) Disclose in a conspicuous manner that qualified persons are not obligated to but may purchase coverage for personal
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1. PROTECTION INSURANCE COVERAGE BENEFITS PAYABLE UNDER SECTION 3107(1)(A).

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

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

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

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

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

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

(4) IF AN INSURANCE POLICY IS ISSUED OR RENEWED AS DESCRIBED IN SUBSECTION (1) AND THE APPLICANT OR NAMED INSURED HAS NOT MADE AN EFFECTIVE ELECTION UNDER SUBSECTION (1), THE POLICY IS CONSIDERED TO PROVIDE PERSONAL PROTECTION BENEFITS UNDER SECTION [3107C(1)(D)].
(5) AN ELECTION UNDER THIS SECTION APPLIES TO THE APPLICANT OR NAMED INSURED, THE APPLICANT OR NAMED INSURED'S SPOUSE, A RELATIVE OF EITHER DOMICILED IN THE SAME HOUSEHOLD, AND ANY OTHER PERSON WHO WOULD HAVE HAD A RIGHT TO CLAIM PERSONAL PROTECTION INSURANCE BENEFITS UNDER THE POLICY BUT FOR THE ELECTION.

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

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

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

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

(A) PERSONAL DELIVERY.

(B) FIRST-CLASS MAIL, POSTAGE PREPAID.

(C) ELECTRONIC MEANS IN ACCORDANCE WITH SECTION 2266.

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

(A) MARKING AND SIGNING A PAPER FORM.

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

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

Sec. 3109a. (1) An insurer providing personal protection insurance benefits under this chapter may offer, at appropriately reduced premium rates, deductibles and exclusions reasonably related to other health and accident coverage on the insured. Any deductibles and exclusions offered under this section MUST BE OFFERED AT A REDUCED PREMIUM THAT REFLECTS REASONABLY ANTICIPATED REDUCTIONS IN LOSSES, EXPENSES, OR BOTH, are subject to
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prior approval by the commissioner—DIRECTOR, and shall—MUST apply
only to benefits payable to the person named in the policy, the
spouse of the insured, and any relative of either domiciled in the
same household.

(2) AN INSURER SHALL OFFER TO AN APPLICANT OR NAMED INSURED
that selects a personal protection benefit limit under section
[3107C(1)(B)] an exclusion related to other health or accident
coverage. All of the following apply to that exclusion:

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

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

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

(D) IF A PERSON SUBJECT TO AN EXCLUSION UNDER THIS SUBSECTION
IS NO LONGER COVERED BY THE HEALTH COVERAGE, THE NAMED INSURED SHALL NOTIFY THE INSURER THAT THE NAMED INSURED OR RESIDENT RELATIVE IS NO LONGER ELIGIBLE FOR AN EXCLUSION. ALL OF THE FOLLOWING APPLY UNDER THIS SUBDIVISION:

(i) The named insured shall, within 30 days after the effective date of the termination of the health coverage, obtain insurance that provides the security required under section 3101(1) that includes coverage that was excluded under this subsection.

(ii) During the period described in subparagraph (i), if any person excluded suffers accidental bodily injury arising from a motor vehicle accident, the person is entitled to claim benefits under the assigned claims plan.

(E) If the named insured does not obtain insurance that provides the security required under section 3101(1) that includes the coverage excluded under this subsection during the period described in subdivision (D)(i) and the named insured or any person excluded under the policy suffers accidental bodily injury arising from a motor vehicle accident, unless the injured person is entitled to coverage under some other policy, the injured person is not entitled to be paid personal protection insurance benefits under section 3107(1)(A) for the injury that occurred during the period in which coverage under this section was excluded.

(3) An automobile insurer shall not refuse to prospectively insure, limit coverage available to, charge a reinstatement fee for, or increase the premiums for automobile insurance for an eligible person solely because the person previously failed to obtain insurance that provides the security required under section
IN THE TIME PERIOD PROVIDED UNDER SUBSECTION (2)(D)(i).

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

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

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

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

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

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

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

(b) The person was the owner or registrant of a motor vehicle or motorcycle involved in the accident with respect to which the security required by section 3101 or 3103 was not in effect.
(c) The person was not a resident of this state, **UNLESS THE PERSON OWNED A MOTOR VEHICLE THAT WAS REGISTERED AND INSURED IN THIS STATE.**, was an occupant of a motor vehicle or motorcycle not registered in this state, and the motor vehicle or motorcycle was not insured by an insurer that has filed a certification in compliance with section 3163.

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

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

Sec. 3114. (1) Except as provided in subsections (2), (3), and (5), a personal protection insurance policy described in section 3101(1) applies to accidental bodily injury to the person named in the policy, the person's spouse, and a relative of either domiciled in the same household, if the injury arises from a motor vehicle accident. A personal injury insurance policy described in section 3103(2) applies to accidental bodily injury to the person named in the policy, the person's spouse, and a relative of either domiciled in the same household, if the injury arises from a motorcycle accident. If personal protection insurance benefits or personal injury benefits described in section 3103(2) are payable to or for the benefit of an injured person under his or her own policy and would also be payable under the policy of his or her spouse, relative, or relative's spouse, the injured person's insurer shall pay all of the benefits **UP TO THE COVERAGE LEVEL APPLICABLE UNDER**...
SECTION 3107C TO THE INJURED PERSON'S POLICY, and is not entitled to recoupment from the other insurer.

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

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

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

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

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

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

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

(g) A transportation network company vehicle.

(H) A MOTOR VEHICLE INSURED UNDER A POLICY FOR WHICH THE PERSON NAMED IN THE POLICY HAS ELECTED TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107D OR AS TO WHICH AN EXCLUSION UNDER SECTION 3109A(2) APPLIES.
(3) An employee, his or her spouse, or a relative of either
domiciled in the same household, who suffers accidental bodily
injury while an occupant of a motor vehicle owned or registered by
the employer, shall receive personal protection insurance benefits
to which the employee is entitled from the insurer of the furnished
vehicle.

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

(a) The insurer of the owner or registrant of the vehicle
occupied.

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

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

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

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

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

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

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

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

(8) (6) SUBJECT TO SUBSECTIONS (6) AND (7), IF 2 OR MORE
insurers are in the same order of priority to provide personal
protection insurance benefits under subsection (5), an insurer
paying benefits due is entitled to partial recoupment
from the other insurers in the same order of priority, and a
reasonable amount of partial recoupment of the expense of
processing the claim, in order to accomplish equitable distribution
of the loss among all of the insurers.
(9) As used in this section:
(a) "Personal vehicle", "prearranged ride", and
"transportation network company digital network", AND
"TRANSPORTATION NETWORK COMPANY PREARRANGED RIDE" mean those terms
as defined in section 2 of the limousine, taxicab, and
transportation network company act, 2016 PA 345, MCL 257.2102.
(b) "Transportation network company vehicle" means a personal
vehicle while the driver is logged on to the transportation network
company digital network or while the driver is engaged in a
TRANSPORTATION NETWORK COMPANY prearranged ride.
Sec. 3115. (1) Except as provided in subsection (1) of section
3114, 3114(1), a person suffering accidental bodily injury while not an occupant of a motor vehicle shall claim
personal protection insurance benefits from insurers in the
following order of priority.
(a) Insurers of owners or registrants of motor vehicles
involved in the accident.
(b) Insurers of operators of motor vehicles involved in the
accident.
(2) When 2 or more insurers are in the same order of priority to provide personal protection insurance benefits an insurer paying benefits due is entitled to partial recoupment from the other insurers in the same order of priority, together with a reasonable amount of partial recoupment of the expense of processing the claim, in order to accomplish equitable distribution of the loss among such insurers.

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

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

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

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

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

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

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

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

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

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

(b) Damages for noneconomic loss as provided and limited in
subsections (1) and (2).
(c) Damages for allowable expenses, work loss, and survivor's loss as defined in sections 3107 to 3110, including all future allowable expenses and work loss, in excess of any applicable limit under section 3107C or the daily, monthly, and 3-year limitations contained in those sections, or without limit for allowable expenses if an election to not maintain that coverage was made under section 3107D or if an exclusion under section 3109A(2) applies. The party liable for damages is entitled to an exemption reducing his or her liability by the amount of taxes that would have been payable on account of income the injured person would have received if he or she had not been injured.

(d) Damages for economic loss by a nonresident. In excess of the personal protection insurance benefits provided under section 3163(4). Damages under this subdivision are not recoverable to the extent that benefits covering the same loss are available from other sources, regardless of the nature or number of benefit sources available and regardless of the nature or form of the benefits. However, to recover under this subdivision, the nonresident must have suffered death, serious impairment of body function, or permanent serious disfigurement.

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

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

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

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

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

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

(e) Damages shall not be assessed if the damaged motor vehicle was being operated at the time of the damage without the security required by section 3101.3101(1).

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

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

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

(C) IT affects the INJURED person's general ability to lead his or her normal life, MEANING IT HAS HAD AN INFLUENCE ON SOME OF THE PERSON'S CAPACITY TO LIVE IN HIS OR HER NORMAL MANNER OF
LIVING. Although temporal considerations may be relevant, there is no temporal requirement for how long an impairment must last. This examination is inherently fact and circumstance specific to each injured person, must be conducted on a case-by-case basis, and requires comparison of the injured person's life before and after the incident.

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

(2) Personal protection insurance benefits are overdue if not paid within 30 days after an insurer receives reasonable proof of the fact and of the amount of loss sustained. If reasonable proof is not supplied as to the entire claim, the amount supported by reasonable proof is overdue if not paid within 30 days after the proof is received by the insurer. Any part of the remainder of the claim that is later supported by reasonable proof is overdue if not paid within 30 days after the proof is received by the insurer. For the purpose of calculating the extent to which benefits are overdue, payment must be treated as made on the date a draft or other valid instrument was placed in the United States mail in a properly addressed, postpaid envelope, or, if not so posted, on the date of delivery.

(3) For personal protection insurance benefits under section 3107(1)(A), if a bill for the product, service, accommodations, or training is not provided to the insurer within 90 days after the product, service, accommodations, or training is provided, the insurer has 60 days in addition to 30 days provided under

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SUBSECTION (2) TO PAY BEFORE THE BENEFITS ARE OVERTURE.

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

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

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

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

(4) The notice of injury required by this—subsection (1) may be given to the insurer or any of its authorized agents by a person claiming to be entitled to benefits therefor, FOR THE INJURY, or by someone in his THE PERSON'S behalf. The notice shall MUST
name and address of the claimant and indicate in ordinary language
the name of the person injured and the time, place, and nature of
his THE PERSON'S injury.

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

Sec. 3148. (1) An attorney is entitled to a reasonable fee for advising and
representing a claimant in an action for personal or property
protection insurance benefits which are overdue. The
attorney's fee shall be a charge against the insurer in addition
to the benefits recovered, if the court finds that the insurer
unreasonably refused to pay the claim or unreasonably delayed in
making proper payment. AN ATTORNEY ADVISING OR REPRESENTING AN
INJURED PERSON CONCERNING A CLAIM FOR PAYMENT OF PERSONAL
PROTECTION INSURANCE BENEFITS FROM AN INSURER SHALL NOT CLAIM,
FILE, OR SERVE A LIEN FOR PAYMENT OF A FEE OR FEES UNTIL BOTH OF
THE FOLLOWING APPLY:

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

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

(2) An insurer may be allowed by a court an award of a reasonable AMOUNT against a claimant as an
attorney's fee for the insurer's attorney in defense
DEFENDING against a claim that was in some respect fraudulent or so
excessive as to have no reasonable foundation. A COURT MAY AWARD AN
INSURER A REASONABLE AMOUNT AGAINST A CLAIMANT'S ATTORNEY AS AN
ATTORNEY FEE FOR DEFENDING AGAINST A CLAIM FOR WHICH THE CLIENT WAS
SOLICITED BY THE ATTORNEY IN VIOLATION OF THE LAWS OF THIS STATE OR
THE MICHIGAN RULES OF PROFESSIONAL CONDUCT.

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

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

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

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.

(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.]
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(B) DURING THE YEAR IMMEDIATELY PRECEDING THE EXAMINATION, THE
3 EXAMINING PHYSICIAN MUST HAVE DEVOTED A MAJORITY OF HIS OR HER
4 PROFESSIONAL TIME TO EITHER OR BOTH OF THE FOLLOWING:
5
6 (i) THE ACTIVE CLINICAL PRACTICE OF MEDICINE AND, IF
7 SUBDIVISION (A) APPLIES, THE ACTIVE CLINICAL PRACTICE [RELEVANT TO]
8 THE SPECIALTY.
9
10 (ii) THE INSTRUCTION OF STUDENTS IN AN ACCREDITED MEDICAL
11 SCHOOL OR IN AN ACCREDITED RESIDENCY OR CLINICAL RESEARCH PROGRAM
12 FOR PHYSICIANS AND, IF SUBDIVISION (A) APPLIES, THE INSTRUCTION OF
13 STUDENTS IS IN THE SPECIALTY.

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.

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

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

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

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

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

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

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

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

(4) SUBJECT TO SUBSECTION (5), SUBSECTION (3) ONLY APPLIES TO
A physician, hospital, clinic, or other person if either of the following applies to the person rendering the treatment or training:

(A) On July 1 of the year in which the person renders the treatment or training, the person has 20% or more, but less than 30%, indigent volume determined pursuant to the methodology used by the Department of Health and Human Services in determining inpatient medical/surgical factors used in measuring eligibility for Medicaid disproportionate share payments.

(B) The person is a freestanding rehabilitation facility. Each year the director shall designate not more than 2 freestanding rehabilitation facilities to qualify for payments under subsection (3) for that year. As used in this subdivision, "freestanding rehabilitation facility" means an acute care hospital to which all of the following apply:

(i) The hospital has staff with specialized and demonstrated rehabilitation medicine expertise.

(ii) The hospital possesses sophisticated technology and specialized facilities.

(iii) The hospital participates in rehabilitation research and clinical education.

(iv) The hospital assists patients to achieve excellent rehabilitation outcomes.

(v) The hospital coordinates necessary post-discharge services.

(vi) The hospital is accredited by 1 or more third-party, independent organizations focused on quality.
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1 (vii) THE HOSPITAL SERVES THE REHABILITATION NEEDS OF
2 CATASTROPHICALLY INJURED PATIENTS IN THIS STATE.
3
4 (viii) THE HOSPITAL WAS IN EXISTENCE ON MAY 1, 2019.
5
6 (5) TO QUALIFY FOR A PAYMENT UNDER SUBSECTION (4)(A)[ ] , A
7 PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON SHALL PROVIDE THE
8 DIRECTOR WITH ALL DOCUMENTS AND INFORMATION REQUESTED BY THE
9 DIRECTOR THAT THE DIRECTOR DETERMINES ARE NECESSARY TO ALLOW THE
10 DIRECTOR TO DETERMINE WHETHER THE PERSON QUALIFIES. THE DIRECTOR
11 SHALL ANNUALLY REVIEW DOCUMENTS AND INFORMATION PROVIDED UNDER THIS
12 SUBSECTION AND, IF THE PERSON QUALIFIES UNDER SUBSECTION (4)(A)[ ] , SHALL CERTIFY THE PERSON AS QUALIFYING AND PROVIDE A LIST OF
13 QUALIFYING PERSONS TO INSURERS AND OTHER PERSONS THAT PROVIDE THE
14 SECURITY REQUIRED UNDER SECTION 3101(1). A PHYSICIAN, HOSPITAL,
15 CLINIC, OR OTHER PERSON THAT PROVIDES 30% OR MORE OF ITS TOTAL
16 TREATMENT OR TRAINING AS DESCRIBED UNDER SUBSECTION (4)(A)[ ] 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
27 (A) FOR TREATMENT RENDERED AFTER JULY 1, 2021 AND BEFORE JULY
28 2, 2022, 240% OF THE AMOUNT PAYABLE TO THE HOSPITAL FOR THE
TREATMENT UNDER MEDICARE.

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

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

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

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

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

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

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

(B) FOR A PERSON TO WHICH SUBSECTION (3) APPLIES, THE APPLICABLE FOLLOWING PERCENTAGE OF THE AMOUNT PAYABLE FOR THE
TREATMENT OR TRAINING UNDER THE PERSON'S CHARGE DESCRIPTION MASTER IN EFFECT ON JANUARY 1, 2019 OR, IF THE PERSON DID NOT HAVE A CHARGE DESCRIPTION MASTER ON THAT DATE, THE APPLICABLE FOLLOWING PERCENTAGE OF THE AVERAGE AMOUNT THE PERSON CHARGED FOR THE TREATMENT OR TRAINING ON JANUARY 1, 2019:

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

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

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

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

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

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

(ii) FOR TREATMENT OR TRAINING RENDERED AFTER JULY 1, 2022 AND
BEFORE JULY 2, 2023, 73%.

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

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

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

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

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

(B) AN INDIVIDUAL WHO IS DOMICILED IN THE HOUSEHOLD OF THE INJURED PERSON.
(C) AN INDIVIDUAL WITH WHOM THE INJURED PERSON HAD A BUSINESS OR SOCIAL RELATIONSHIP BEFORE THE INJURY.

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

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

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

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

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

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

(15) AS USED IN THIS SECTION:
(A) "CHARGE DESCRIPTION MASTER" MEANS A UNIFORM SCHEDULE OF CHARGES REPRESENTED BY THE PERSON AS ITS GROSS BILLED CHARGE FOR A GIVEN SERVICE OR ITEM, REGARDLESS OF PAYER TYPE.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(iii) APPEALING DETERMINATIONS.

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

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

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


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

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

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

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

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

(A) NO personal protection insurance is applicable to the injury. — no

(B) NO personal protection insurance applicable to the injury can be identified. — the

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

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

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

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

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

(5) (2)—Except as otherwise provided in this subsection,
personal protection insurance benefits, including benefits arising
from accidents occurring before March 29, 1985, payable through the
assigned claims plan shall be reduced to the extent that
benefits covering the same loss are available from other sources,
regardless of the nature or number of benefit sources available and
regardless of the nature or form of the benefits, to a person
claiming personal protection insurance benefits through the
assigned claims plan. This subsection only applies if the personal
protection insurance benefits are payable through the assigned
claims plan because no personal protection insurance is applicable
to the injury, no personal protection insurance applicable to the
injury can be identified, or the only identifiable personal
protection insurance applicable to the injury is, because of
financial inability of 1 or more insurers to fulfill their
obligations, inadequate to provide benefits up to the maximum
prescribed—UNDER SUBSECTION (1)(A), (B), OR (D). As used in this
subsection, "sources" and "benefit sources" do not include the
program for medical assistance for the medically indigent under the 
social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, or
insurance under the health insurance for the aged act, title AND
DISABLED UNDER SUBCHAPTER XVIII of the social security act, 42 USC
1395 to 1395kkk-1-1395lll.

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

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

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

(c) An action THE INSURER ASSIGNED THE CLAIM BY THE MICHIGAN
AUTOMOBILE INSURANCE PLACEMENT FACILITY shall be–immediately
commenced COMMENCE AN ACTION on behalf of the Michigan automobile
insurance placement facility by the insurer to whom the claim is
assigned in circuit court to declare the rights and duties of any
interested party.
(d) The insurer to whom the claim is assigned shall join as parties defendant to the action commenced under subdivision (c) each insurer disputing either the obligation to provide personal protection insurance benefits or the equitable distribution of the loss among the insurers.

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

(f) After hearing the action, the circuit court shall determine the insurer or insurers, if any, obligated to provide the applicable personal protection insurance benefits and the equitable distribution, if any, among the insurers obligated, and shall order reimbursement to the Michigan automobile insurance placement facility from the insurer or insurers to the extent of the responsibility as determined by the court. The reimbursement ordered under this subdivision MUST include all benefits and costs paid or incurred by the Michigan automobile insurance placement facility and all benefits and costs paid or incurred by insurers determined not to be obligated to provide applicable personal protection insurance benefits, including reasonable actually incurred attorney fees and interest at the rate prescribed in section 3175 as of December 31 of the year preceding the determination of the circuit court.

(7) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY AND THE INSURER TO WHOM A CLAIM IS ASSIGNED BY THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY ARE ONLY REQUIRED TO PROVIDE PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1)(A) UP TO
WHICHEVER OF THE FOLLOWING IS APPLICABLE:

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

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

Sec. 3173a. (1) The Michigan automobile insurance placement facility shall REVIEW A CLAIM FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER THE ASSIGNED CLAIMS PLAN, SHALL make an initial determination of a claimant's eligibility for benefits under THIS CHAPTER AND the assigned claims plan, and shall deny an obviously ineligible claim. THAT THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY DETERMINES IS INELIGIBLE UNDER THIS CHAPTER OR THE ASSIGNED CLAIMS PLAN. IF A CLAIMANT OR PERSON MAKING A CLAIM THROUGH OR ON BEHALF OF A CLAIMANT FAILS TO COOPERATE WITH THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY AS REQUIRED BY SUBSECTION (2), THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY SHALL SUSPEND BENEFITS TO THE CLAIMANT UNDER THE ASSIGNED CLAIMS PLAN. A SUSPENSION UNDER THIS SUBSECTION IS NOT AN IRREVOCABLE DENIAL OF BENEFITS, AND MUST CONTINUE ONLY UNTIL THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY DETERMINES THAT THE CLAIMANT OR PERSON MAKING A CLAIM THROUGH OR ON BEHALF OF A CLAIMANT Cooperates OR RESUMES COOPERATION WITH THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY. THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY SHALL PROMPTLY NOTIFY IN WRITING THE claimant and any person that submitted a claim through or on behalf of a claimant of the denial of benefits.
denial and the reasons for the denial.

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

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

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

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

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

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

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

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

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

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

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

Sec. 3175. (1) The assignment of claims under the assigned
claims plan shall MUST be made according to procedures established
in the assigned claims plan that assure fair allocation of the
burden of assigned claims among insurers doing business in this
state on a basis reasonably related to the volume of automobile
liability and personal protection insurance they write on motor
vehicles or the number of self-insured motor vehicles. An insurer
to whom claims have been assigned shall make prompt payment of loss
in accordance with this act. An insurer is entitled to
reimbursement by the Michigan automobile insurance placement
facility for the payments, the established loss adjustment cost,
and an amount determined by use of the average annual 90-day United
States treasury bill yield rate, as reported by the council of
economic advisers COUNCIL OF ECONOMIC ADVISERS as of December 31 of the year for which reimbursement is sought, as follows:

(a) For the calendar year in which claims are paid by the insurer, the amount \textbf{MUST} be determined by applying the specified annual yield rate specified in this subsection to 1/2 of the total claims payments and loss adjustment costs.

(b) For the period from the end of the calendar year in which claims are paid by the insurer to the date payments for the operation of the assigned claims plan are due, the amount \textbf{MUST} be determined by applying the annual yield rate specified in this subsection to the total claims payments and loss adjustment costs multiplied by a fraction, the denominator of which is 365 and the numerator of which is equal to the number of days that have elapsed between the end of the calendar year and the date payments for the operation of the assigned claims plan are due.

(2) \textbf{AN INSURER ASSIGNED A CLAIM BY THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY UNDER THE ASSIGNED CLAIMS PLAN OR A PERSON AUTHORIZED TO ACT ON BEHALF OF THE PLAN MAY BRING AN ACTION FOR REIMBURSEMENT AND INDEMNIFICATION OF THE CLAIM ON BEHALF OF THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY. THE insurer to whom claims have been assigned shall preserve and enforce rights to indemnity or reimbursement against third parties and account to the Michigan automobile insurance placement facility for the rights and shall assign the rights to the Michigan automobile insurance placement facility on reimbursement by the Michigan automobile insurance placement facility. This section does not preclude an insurer from entering into reasonable compromises}
and settlements with third parties against whom rights to indemnity
or reimbursement exist. The insurer shall account to the Michigan
automobile insurance placement facility for any compromises and
settlements. The procedures established under the assigned claims
plan must establish reasonable standards for enforcing rights to indemnity or reimbursement against third
parties, including a standard establishing an amount below which
actions to preserve and enforce the rights need not be pursued.

(3) An action to enforce rights to indemnity or reimbursement
against a third party must not be commenced after the later
of the following:

(A) TWO years after the assignment of the claim to the
insurer. or

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

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

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

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

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

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

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

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

CHAPTER 31A
MANAGED CARE
SEC. 3181. AS USED IN THIS CHAPTER, "MANAGED CARE OPTION"
MEANS AN OPTIONAL COVERAGE SELECTED BY AN INSURED AT THE TIME A
POLICY IS ISSUED THAT INCLUDES, BUT IS NOT LIMITED TO, THE
MONITORING AND ADJUDICATION OF AN INJURED PERSON'S CARE, THE USE OF
A PREFERRED PROVIDER PROGRAM OR OTHER NETWORK, OR OTHER SIMILAR
OPTION.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(D) MAINTAIN RECORDS OF CRIMINAL INVESTIGATIONS.

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

(F) REVIEW INFORMATION FROM OTHER CRIMINAL JUSTICE AGENCIES TO ASSIST IN THE ENFORCEMENT AND INVESTIGATION OF ALL MATTERS UNDER 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  
6  SEC. 6302. (1) A DOCUMENT, MATERIAL, OR INFORMATION RELATED TO  
7  AN INVESTIGATION OF THE ANTI-FRAUD UNIT IS CONFIDENTIAL BY LAW AND  
8  PRIVILEGED, IS NOT SUBJECT TO THE FREEDOM OF INFORMATION ACT, 1976  
9  PA 442, MCL 15.231 TO 15.246, IS NOT SUBJECT TO SUBPOENA, AND IS  
10  NOT SUBJECT TO DISCOVERY OR ADMISSIBLE IN EVIDENCE IN ANY PRIVATE  
11  CIVIL ACTION. HOWEVER, THE DIRECTOR MAY USE THE DOCUMENTS,  
12  MATERIALS, OR INFORMATION IN THE FURTHERANCE OF ANY SUPERVISORY  
13  ACTIVITY OR LEGAL ACTION BROUGHT AS PART OF THE DIRECTOR'S DUTIES.  
14  (2) THE DIRECTOR, OR ANY PERSON THAT RECEIVED DOCUMENTS,  
15  MATERIALS, OR INFORMATION WHILE ACTING ON BEHALF OF THE ANTI-FRAUD  
16  UNIT, IS NOT PERMITTED AND MAY NOT BE REQUIRED TO TESTIFY IN ANY  
17  PRIVATE CIVIL ACTION CONCERNING ANY CONFIDENTIAL DOCUMENTS,  
18  MATERIALS, OR INFORMATION DESCRIBED IN SUBSECTION (1).  
19  (3) TO ASSIST IN THE PERFORMANCE OF THE ANTI-FRAUD UNIT'S  
20  DUTIES, THE DIRECTOR MAY DO ANY OF THE FOLLOWING:  
21  (A) SHARE DOCUMENTS, MATERIALS, OR INFORMATION, INCLUDING THE  
22  CONFIDENTIAL AND PRIVILEGED DOCUMENTS, MATERIALS, OR INFORMATION  
23  THAT IS SUBJECT TO SUBSECTION (1), WITH ANY OF THE FOLLOWING:  
24  (i) OTHER STATE, FEDERAL, AND INTERNATIONAL REGULATORY  
25  AGENCIES.  
26  (ii) OTHER STATE, FEDERAL, AND INTERNATIONAL LAW ENFORCEMENT  
27  AUTHORITIES, IF THE RECIPIENT AGREES TO MAINTAIN THE  
28  CONFIDENTIALITY AND PRIVILEGED STATUS OF THE DOCUMENTS, MATERIALS,
OR INFORMATION.

(iii) ANY OTHER PERSON AS THE DIRECTOR CONSIDERS NECESSARY TO DISCHARGE THE ANTI-FRAUD UNITS DUTIES UNDER SECTION 6301 OR OTHER APPLICABLE LAW.

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

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

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

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

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

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

(5) THE DISCLOSURE OF ANY DOCUMENTS, MATERIALS, OR INFORMATION TO THE DIRECTOR, OR THE SHARING OF DOCUMENTS, MATERIALS, OR INFORMATION UNDER SUBSECTION (3), IS NOT A WAIVER OF, AND MUST NOT
BE CONSTRUED AS A WAIVER OF, ANY PRIVILEGE APPLICABLE TO OR CLAIM
OF CONFIDENTIALITY IN THOSE DOCUMENTS, MATERIALS, OR INFORMATION.

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

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

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

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

Enacting section 2. Section 3135 of the insurance code of
1956, 1956 PA 218, MCL 500.3135, as amended by this amendatory act,
is intended to codify and give full effect to the opinion of the