A bill to amend 1956 PA 218, entitled "The insurance code of 1956,"
as amended by 2016 PA 347, section 3135 as amended by 2012 PA 158, section 3163 as amended by 2002 PA 697, sections 3172, 3173a, 3174, and 3175 as amended by 2012 PA 204, section 3177 as amended by 1984 PA 426, and section 2151 as added by 2012 PA 165 and by adding sections 261, 1245, 2111f, 2116b, 3107c, 3107d, 3107e, 3157a, and 3157b and chapter 63.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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 DIRECTOR UNDER 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. of the Michigan Compiled Laws. 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 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 may order the payment of a civil fine of not more than $2,500.00 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. WITH RESPECT TO AN ACT OR OMISSION DESCRIBED IN SECTION 4503, A FINE UNDER THIS SECTION MAY BE ORDERED IN ADDITION TO AND NOT INSTEAD OF A PENALTY OR RESTITUTION UNDER SECTION 4511. An order of the commissioner—DIRECTOR under this subdivision shall MUST not require the payment of civil fines exceeding $25,000.00—$50,000.00. A fine collected under this subdivision shall MUST be turned over to the state treasurer and credited to the general fund, EXCEPT THAT A FINE COLLECTED FOR AN ACT OR OMISSION UNDER SECTION 4503 MUST BE CREDITED TO THE AUTOMOBILE INSURANCE FRAUD FUND CREATED IN SECTION 6304.

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

(2) After notice and opportunity for hearing, the commissioner—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—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—DIRECTOR may order a civil fine of $10,000.00 for each violation, or a suspension, limitation, or revocation of a—the person's license, or both. A fine collected under this subsection shall MUST be turned over to the state
treasurer and credited to the general fund, EXCEPT THAT IF THE
CEASE AND DESIST ORDER RELATED TO AN ACT OR OMISSION UNDER SECTION
4503, THE FINE MUST BE CREDITED TO THE AUTOMOBILE INSURANCE FRAUD
FUND CREATED IN SECTION 6304.

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

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

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.

(F) ANYTHING ELSE THAT THE DIRECTOR DETERMINES TO BE IMPORTANT
House Bill No. 4397 as amended May 9, 2019

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

(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 COMPETITIVELY FOR INSURANCE.

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

Sec. 2105. (1) No policy of automobile insurance or home insurance shall 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.
House Bill No. 4397 as amended May 9, 2019

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

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

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

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

(4) To the extent that other provisions of this code are inconsistent with the provisions of this chapter, this chapter governs 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 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...
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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 DESCRIBED IN THIS SUBSECTION IN ACCORDANCE WITH CHAPTER 24, EXCEPT THAT THE MANUAL OR PLAN MUST REMAIN ON FILE FOR A WAITING PERIOD OF 90 DAYS BEFORE IT BECOMES EFFECTIVE, WHICH PERIOD MAY NOT BE EXTENDED BY THE DIRECTOR, AND THE WAITING PERIOD APPLIES REGARDLESS OF WHETHER SUPPORTING INFORMATION IS REQUIRED BY THE DIRECTOR UNDER SECTION 2406(1).

[(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.

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(iii) Coordination of benefits.
(iv) Use of a safety belt.
(c) In addition to the factors prescribed in subdivision (a), with respect to collision and comprehensive coverages:
   (i) The anticipated cost of vehicle repairs or replacement, which may be measured by age, price, cost new, or value of the insured automobile, and other factors directly relating to that anticipated cost.
   (ii) Vehicle make and model.
   (iii) Vehicle design characteristics related to vehicle damageability.
   (iv) Vehicle characteristics relating to automobile theft prevention devices.
(d) With respect to all automobile insurance coverage other than comprehensive, successful completion by the individual driver or drivers insured under the policy of an accident prevention education course that meets the following criteria:
   (i) The course shall MUST include a minimum of 8 hours of classroom instruction.
   (ii) The course shall MUST include, but not be limited to, a review of all of the following:
      (A) The effects of aging on driving behavior.
      (B) The shapes, colors, and types of road signs.
      (C) The effects of alcohol and medication on driving.
      (D) The laws relating to the proper use of a motor vehicle.
      (E) Accident prevention measures.
      (F) The benefits of safety belts and child restraints.
      (G) Major driving hazards.
      (H) Interaction with other highway users, such as motorcyclists, bicyclists, and pedestrians.
   (3) Each insurer shall establish a secondary or merit rating plan for automobile insurance, other than comprehensive coverage. A secondary or merit rating plan required under this subsection shall MUST provide for premium surcharges for any or all coverages for automobile insurance, other than comprehensive coverage, based upon any or all of the following, when that information becomes available to the insurer:
      (a) Substantially at-fault accidents.
      (b) Convictions for, determinations of responsibility for civil infractions for, or findings of responsibility in probate court for civil infractions for violations under chapter VI of the Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750. However, an insured shall MUST not be merit rated CLASSIFIED for RATING PURPOSES BASED ON a civil infraction under chapter VI of the Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750, for a period of time longer than that which the secretary of state's office carries points for that infraction on the insured's motor vehicle record.
   (3) (4) An insurer shall not establish or maintain rates or rating classifications for automobile insurance based on sex or marital status OR A NON-DRIVING FACTOR.
   (4) (5) Notwithstanding other provisions of this chapter, automobile insurance risks MAY be grouped by territory.
   (5) (6) This section does not limit insurers or rating organizations from establishing and maintaining statistical reporting territories. This section does not prohibit an insurer from establishing or maintaining, for automobile insurance, a premium discount plan for senior citizens in this state who are 65 years of age or older, if the plan is uniformly applied by the insurer throughout this state. If an insurer has not established and maintained a premium discount plan for senior citizens, the insurer shall offer reduced premium rates to senior citizens in this state who are 65 years of age or older and who drive less than 3,000 miles per year, regardless of statistical data.
   (6) (7) Classifications established under this section for home insurance other than inland marine insurance provided by policy floaters or endorsements shall MUST be based only on 1 or more of the following factors:
      (a) Amount and types of coverage.
      (b) Security and safety devices, including locks, smoke detectors,
and similar, related devices.
   (c) Reparable 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.
   (7) Notwithstanding other provisions of this chapter, home insurance risks may be grouped by territory.
   (8) An insurer may use factors in addition to those permitted by this section for insurance if the plan is consistent with the purposes of this act and reflects reasonably anticipated reductions or increases in losses or expenses.
   (9) AS USED IN THIS SECTION, "NON-DRIVING FACTORS" MEANS ANY FACTOR FOR WHICH THERE IS NO RATIONAL CORRELATION BETWEEN THE FACTOR AND INSURANCE LOSSES. THE DIRECTOR SHALL PROMULGATE RULES UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328, TO ESTABLISH THE FACTORS THAT ARE NON-DRIVING FACTORS. AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, AN INSURER SHALL NOT USE A FACTOR TO ESTABLISH A RATE FOR AUTOMOBILE INSURANCE IF THE FACTOR IS IN THE RULES PROMULGATED UNDER THIS SUBSECTION.
SEC. 2111F. (1) BEFORE 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, AN INSURER THAT OFFERS AUTOMOBILE INSURANCE IN THIS STATE SHALL FILE PREMIUM RATES FOR PERSONAL PROTECTION INSURANCE COVERAGE FOR AUTOMOBILE INSURANCE POLICIES EFFECTIVE AFTER 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION AND BEFORE 1 YEAR AND 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.
   (2) THE PREMIUM RATES FILED UNDER SUBSECTION (1), AND ANY SUBSEQUENT PREMIUM RATES FILED BY THE INSURER FOR PERSONAL PROTECTION INSURANCE COVERAGE UNDER AUTOMOBILE INSURANCE POLICIES EFFECTIVE BEFORE 5 YEARS AND 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, MUST RESULT, AS NEARLY AS PRACTICABLE, IN AN AVERAGE REDUCTION PER VEHICLE FROM THE PREMIUM RATES FOR PERSONAL PROTECTION INSURANCE COVERAGE THAT WERE IN EFFECT FOR THE INSURER ON MAY 1, 2019 AS FOLLOWS:
   (A) FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3107C(1)(A), AN AVERAGE 80% OR GREATER REDUCTION PER VEHICLE.
   (B) FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3107C(1)(B), AN AVERAGE 60% OR GREATER REDUCTION PER VEHICLE.
   (C) FOR POLICIES SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3107C(1)(C), AN AVERAGE 30% OR GREATER REDUCTION PER VEHICLE.
   (D) FOR POLICIES NOT SUBJECT TO ANY COVERAGE LIMIT UNDER SECTION 3107C(1)(D), AN AVERAGE 10% OR GREATER REDUCTION PER VEHICLE.
   (3) FOR A POLICY UNDER WHICH AN ELECTION UNDER SECTION 3107D HAS BEEN MADE TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER SECTION 3107(1)(A), THE PREMIUM RATES FILED UNDER SUBSECTION (1), AND ANY SUBSEQUENT PREMIUM RATES FILED BY THE INSURER FOR PERSONAL PROTECTION INSURANCE COVERAGE UNDER AUTOMOBILE INSURANCE POLICIES EFFECTIVE BEFORE 5 YEARS AND 6 MONTHS AFTER THE EFFECTIVE DATE
OF THE AMENDATORY ACT THAT ADDED THIS SECTION, MUST RESULT IN NO PREMIUM CHARGE FOR COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER SECTION 3107(1)(A).

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

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

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

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

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 WITHIN 1 YEAR AFTER THE EFFECTIVE DATE OF THIS SECTION.

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 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 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 **MUST** 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 **USE** 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 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 applies only if an eligible person can obtain automobile insurance from one of the affiliates. The underwriting rules 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 one rating plan and other eligible persons are provided automobile insurance under another rating plan. This subsection 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 must be established to define the rating plan applicable to each eligible person.

(3) Underwriting rules under this section 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 proof shall 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 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 which, for monetary fees or dues or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties.
(c) "Credit information" means any credit-related information derived from a credit report, found on a credit report itself, or
provided on an application for personal insurance. Information that is not credit-related shall not be considered credit information, regardless of whether it is contained in a credit report or in an application, or is used to calculate an insurance score.

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

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

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

Sec. 3101. (1) The EXCEPT AS PROVIDED IN SECTION 3107D, 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 \textit{AND} property protection insurance \textbf{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 insurer that has issued an automobile insurance policy on a motor vehicle that is not driven or moved on a highway may allow the insured owner or registrant of the motor vehicle to delete a portion of the coverages under the policy and maintain the comprehensive coverage portion of the policy in effect.

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

(5) 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 \textbf{MUST} 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) (4) 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) (5) 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) (6) 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 to be 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) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED BEFORE 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 3107C AND FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED AFTER 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 3107C FOR WHICH THE COVERAGE LEVEL UNDER 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 CONTINUES 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 MUST 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 sums MONEY 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 MUST 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
MUST include an amount to cover incurred but not reported losses for the period and may MUST be adjusted for any excess or deficient premiums from previous periods. Excesses or deficiencies from previous periods may MUST 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 MUST 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) OR AS TO WHICH AN ELECTION TO NOT MAINTAIN PERSONAL PROTECTION INSURANCE BENEFITS HAS BEEN MADE UNDER SECTION 3107D 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) OR AS TO WHICH AN ELECTION TO NOT MAINTAIN PERSONAL PROTECTION INSURANCE BENEFITS HAS BEEN MADE UNDER SECTION 3107D 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 sums 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 REBATE 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.

(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 or 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 REBATE 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 REBATE ATTRIBUTABLE TO A HISTORIC VEHICLE EQUAL TO 20% OF THE REBATE FOR A CAR THAT IS NOT A HISTORIC VEHICLE.

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

(F) 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 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, consistent with the membership composition requirements in subsections (11) and (13). Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than 4 years.

13. The board shall consist of 5 directors and the commissioner, who shall be an ex officio member of the board without vote.

14. Each director shall be appointed by the commissioner and shall be entitled to 1 vote. The board shall elect the chairperson of the board. A director shall fill any vacancy on the board shall be filled by the commissioner consistent with the plan of operation.

15. After the board is appointed, 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) An 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) 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.

(18) 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 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 as a condition of maintaining its authority to transact insurance in this state.

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

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

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


(24) A MEMBER OF THE ASSOCIATION SHALL DISTRIBUTE ANY REBATE 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 REBATE ATTRIBUTABLE TO A HISTORIC VEHICLE MUST BE EQUAL TO 20% OF THE REBATE 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.

(1) 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
CATEGORY.

(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 QUADRIPEGIA, 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 THE EFFECTIVE DATE OF THE
AMENDATORY ACT THAT ADDED SECTION 3107C, 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) TO (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" PRICE INDEX" means the
percentage of change in the consumer price index CONSUMER PRICE
INDEX for all urban consumers in the United States city average for
all items for the 24 months prior to BEFORE October 1 of the year
prior to BEFORE the July 1 effective date of the biennial
adjustment under subsection (2)(k) (2)(O) as reported by the United
States department of labor, bureau of labor statistics, DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, and as certified by the commissioner DIRECTOR.

(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) (c) "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), SUBJECT TO THE EXCEPTIONS AND LIMITATIONS IN THIS CHAPTER, 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 DO 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 UNLESS 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 MUST 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 MUST be reduced 15% unless the claimant presents to the insurer in support of his or her claim reasonable proof of a lower value of the income tax advantage in his or her case, in which case the lower value shall apply. MUST BE APPLIED. For the period beginning October 1, 2012 through September 30, 2013, the benefits payable for work loss sustained in a single 30-day period and the income earned by an injured person for work during the same period together shall MUST not exceed $5,189.00, which maximum shall apply MUST BE APPLIED pro rata to any lesser period of work loss. Beginning October 1, 2013, the maximum shall MUST be adjusted annually to reflect changes in the cost of living under rules prescribed by the commissioner DIRECTOR, but any change in the maximum shall MUST apply MUST BE APPLIED only to benefits arising out of accidents occurring subsequent to the date of change in the maximum.

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

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

(a) A person who is 60 years of age or older and in the event
of an accidental bodily injury would not be eligible to receive
work loss benefits under subsection (1) (b) may waive coverage for
work loss benefits by signing a waiver on a form provided by the
insurer. An insurer shall offer a reduced premium rate to a person
who waives coverage under this subsection—SUBDIVISION 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 IS 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 SECTION 3107D, AND
SUBJECT TO SUBSECTION (5), FOR AN INSURANCE POLICY THAT PROVIDES
THE SECURITY REQUIRED UNDER SECTION 3101(1) AND IS ISSUED OR
RENEWED AFTER 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY
ACT THAT ADDED THIS SECTION, THE PERSON NAMED OR TO BE NAMED IN THE
POLICY 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 PER PERSON PER LOSS OCCURRENCE, CONSISTING OF BOTH
OF THE FOLLOWING:

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

(ii) AN ADDITIONAL $200,000.00 FOR MEDICALLY NECESSARY
TREATMENT RENDERED AT AN ACUTE CARE UNIT OR TRAUMA CENTER OF A
HOSPITAL IMMEDIATELY AFTER THE ACCIDENTAL BODILY INJURY AND UNTIL
THE PATIENT IS STABLE.

(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 PERSON TO MARK THE FORM TO
ACKNOWLEDGE THAT HE OR SHE HAS READ THE FORM AND UNDERSTANDS THE
OPTIONS AVAILABLE.

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

(D) REQUIRE THE PERSON TO SIGN THE FORM.

(3) IF AN INSURANCE POLICY IS ISSUED OR RENEWED AS DESCRIBED
IN SUBSECTION (1) AND THE PERSON NAMED IN THE POLICY HAS NOT MADE
AN EFFECTIVE SELECTION UNDER SUBSECTION (1) BUT A PREMIUM OR
PORTION OF A PREMIUM HAS BEEN PAID, THERE IS A REBUTTABLE
PRESUMPTION THAT THE AMOUNT OF THE PREMIUM ACCURATELY REFLECTS THE
LEVEL OF COVERAGE APPLICABLE TO THE POLICY UNDER SUBSECTION (1).
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(4) If an insurance policy is issued or renewed as described in subsection (1), the person named in the policy has not made an effective selection under subsection (1), and a presumption under subsection (3) does not apply, the limit under subsection (1)(A) applies to the policy.

(5) The coverage level selected under subsection (1) applies to the person named in the policy, the person'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 for both or all of the policies that equals the highest available coverage limit under any 1 of the policies.

(7) 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 6 months after the effective date of the amendatory act that added this section, the person named or to be named in the policy who is a qualified person 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). The person named in the policy shall, when
REQUESTING ISSUANCE OR RENEWAL OF THE POLICY, PROVIDE TO THE
INSURER A DOCUMENT FROM THE PERSON THAT PROVIDES THE QUALIFIED
HEALTH COVERAGE STATING THAT THE PERSON NAMED IN THE POLICY HAS
QUALIFIED HEALTH COVERAGE.

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

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

(B) DISCLOSE IN A CONSPICUOUS MANNER THAT A QUALIFIED PERSON
IS NOT OBLIGATED TO BUT MAY PURCHASE COVERAGE FOR PERSONAL
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 PERSON CEASES TO HAVE QUALIFIED HEALTH INSURANCE,
THE PERSON HAS 14 DAYS TO NOTIFY THE INSURER OR THE PERSON WILL BE
EXCLUDED FROM ALL PERSONAL PROTECTION INSURANCE COVERAGE BENEFITS
UNDER SECTION 3107(1)(A).

(F) PROVIDE A WAY FOR THE PERSON NAMED OR TO BE NAMED IN THE
POLICY 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 THE PERSON NAMED OR TO BE NAMED IN THE POLICY IS A
QUALIFIED PERSON, PROVIDE THE PERSON A WAY TO MARK THE FORM TO
ELECT NOT TO MAINTAIN THE COVERAGE.

(H) REQUIRE THE PERSON TO SIGN THE FORM.

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

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

(5) AN ELECTION UNDER THIS SECTION APPLIES TO THE PERSON NAMED IN THE POLICY, THE PERSON'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 A PERSON NAMED IN AN INSURANCE POLICY UNDER WHICH COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER SECTION 3107(1)(A) ARE NOT MAINTAINED UNDER THIS SECTION CEASES, DURING THE TERM OF THE POLICY, TO BE COVERED UNDER QUALIFIED HEALTH COVERAGE, THE PERSON SHALL, WITHIN 14 DAYS, NOTIFY THE INSURER THAT THE PERSON IS NO LONGER A QUALIFIED PERSON. ALL OF THE FOLLOWING APPLY UNDER THIS SUBSECTION:

(A) DURING THE 14-DAY PERIOD, IF A PERSON TO WHOM THE ELECTION
UNDER THIS SECTION APPLIES AS DESCRIBED IN SUBSECTION (5) SUFFERS
ACCIDENTAL BODILY INJURY ARISING FROM A MOTOR VEHICLE ACCIDENT, THE
PERSON IS ENTITLED TO CLAIM BENEFITS UNDER THE ASSIGNED CLAIMS
PLAN.

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

(C) IF THE PERSON NAMED IN THE INSURANCE POLICY DOES NOT
NOTIFY THE INSURER WITHIN THE 14-DAY PERIOD AND A PERSON TO WHOM
THE ELECTION UNDER THIS SECTION APPLIES AS DESCRIBED IN SUBSECTION
(5) 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.

(7) AS USED IN THIS SECTION:

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

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

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

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

(B) "QUALIFIED PERSON" MEANS A PERSON WHO HAS QUALIFIED HEALTH
SEC. 3107E. (1) A FORM UNDER SECTION 3107C OR 3107D MUST BE DELIVERED TO THE PERSON INSURED OR TO BE INSURED UNDER THE POLICY 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 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 IN BEHALF OF THE PERSON.

(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. 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...
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, TO THE BENEFITS, 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 OR HER 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, 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 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.

(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. This subsection does not apply to 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.

(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.
THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO 3175.

(5) A person suffering 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, 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
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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 FOR BOTH OR ALL OF THE POLICIES THAT EQUALS THE
HIGHEST AVAILABLE COVERAGE LIMIT UNDER ANY 1 OF THE POLICIES.

(8) If—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. UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO 3175.

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

(c) Damages 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 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 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 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. 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 to a motor vehicle, to the extent that the damages are not covered by insurance. An action for damages under this subdivision shall MUST be conducted as provided in subsection (4).

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

(a) Damages MUST be assessed on the basis of comparative fault, except that damages MUST 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 MUST 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 MUST not be assessed if the damaged motor vehicle was being operated at the time of the damage without the security required by section 3101.

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

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 shall 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), payment for a product, service, or accommodations is not overdue if a bill for the product, service, or accommodations is not provided to the insurer within 90 days after the product, service, or accommodations is provided.

(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 accidental bodily injury may not be commenced later than 1 year after the date of the accident causing the injury unless written notice of injury as provided herein has been given to the insurer within 1 year after the accident or unless the insurer has previously made a payment of personal protection insurance benefits for the injury. If the notice has been given or a payment has been made, the action may be commenced at any time within 1 year after the most recent allowable expense, work loss, or survivor's loss has been incurred. However, the claimant may not recover benefits for any portion of the loss incurred more than 1 year before the date on which the action was commenced. The notice of injury required by this subsection may be given to the insurer or any of its authorized agents by a person claiming to be entitled to benefits because of the injury, or by someone in his behalf. The notice shall give the name and address of the claimant and indicate in ordinary language the name of the person injured and the time, place, and nature of his injury.

(2) The limitation under subsection (1) on recovery of benefits incurred more than 1 year before an action is commenced is tolled from the date the person claiming the benefits makes a specific claim for the benefits until the date the insurer formally denies the claim. This subsection does not apply if the person claiming the benefits fails to pursue the claim with reasonable diligence.

(3) An action for recovery of property protection insurance benefits shall not be commenced later than 1 year after the accident.]
FILE, OR SERVE A LIEN FOR PAYMENT OF A FEE OR FEES UNTIL ALL 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.

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

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

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

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

(4) (2) A COURT MAY AWARD AN insurer may be allowed by a
court an award of a reasonable sum against a claimant as an
attorney's fee for the insurer's attorney in defense
DEFENDING against any of the following:

(A) A claim that was in some respect fraudulent or so
excessive as to have no reasonable foundation.
(B) A claim for benefits for a treatment, product, service, rehabilitative occupational training, or accommodation that was not medically necessary or that was for an excessive amount.

(C) A claim for which the client was solicited by the attorney in violation of the law of this state or the Michigan rules of professional conduct.

(5) 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 an attorney fee awarded in favor of the insurer may be treated as an offset against such the benefits. Also, judgment may also be entered against the claimant for any amount of an attorney fee awarded against him and that is not offset in this way against benefits paid.

(6) For a dispute over payment for allowable expenses under section 3107(1)(A) for attendant care or nursing services, attorney fees may be awarded in relation to expenses recovered for the 12 months preceding the date the insurer is notified of the dispute.

Attorney fees must not be awarded in relation to expenses paid after the date the insurer is notified of the dispute, including any future payments ordered after the judgment is entered.

(7) A court shall not award a fee to an attorney for advising or representing a claimant in an action for personal or property protection insurance benefits for a treatment, product, service, rehabilitative occupational training, or accommodation provided to the claimant 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
THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE, REHABILITATIVE
OCCUPATIONAL TRAINING, OR ACCOMMODATION. FOR PURPOSES OF THIS
SUBSECTION, A DIRECT OR INDIRECT FINANCIAL INTEREST EXISTS IF THE
PERSON THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE,
REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION MAKES A
DIRECT OR INDIRECT PAYMENT OR GRANTS A FINANCIAL INCENTIVE TO THE
ATTORNEY OR A RELATED PERSON OF THE ATTORNEY RELATING TO THE
TREATMENT, PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING,
OR ACCOMMODATION WITHIN 24 MONTHS BEFORE OR AFTER THE TREATMENT,
PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR
ACCOMMODATION IS PROVIDED.

Sec. 3157. (1) A SUBJECT TO SUBSECTIONS (2) AND (3), A PERSON,
INCLUDING, BUT NOT LIMITED TO, A physician, hospital, clinic, or
other person or institution, THAT lawfully rendering RENDERS
treatment, PRODUCTS, SERVICES, OR ACCOMMODATIONS to an injured
person for an accidental bodily injury covered by personal
protection insurance, and a person or institution providing OR THAT
Provides rehabilitative occupational training TO THE INJURED PERSON
following the injury, may charge a reasonable amount for the
TREATMENT, TRAINING, products, services, and accommodations.
rendered. The charge shall MUST not exceed the amount the person or
institution customarily charges for like TREATMENT, TRAINING,
products, services, and accommodations in cases not involving THAT
DO NOT INVOLVE PERSONAL PROTECTION insurance.
House Bill No. 4397 as amended May 9, 2019

(2) SUBJECT TO SUBSECTIONS (3), (6), AND (7), A PERSON THAT RENDERS A TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION TO AN INJURED PERSON FOR AN ACCIDENTAL BODILY INJURY IS NOT ELIGIBLE FOR PAYMENT OR REIMBURSEMENT UNDER THIS CHAPTER OF MORE THAN THE AMOUNT PAYABLE FOR THE TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION UNDER R 418.10101 TO R 418.101503 OF THE MICHIGAN ADMINISTRATIVE CODE OR SCHEDULES OF MAXIMUM FEES FOR WORKER'S COMPENSATION DEVELOPED UNDER THOSE RULES, IN EFFECT ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION.

THE DIRECTOR SHALL REVIEW ANY CHANGES TO R 418.10101 TO R 418.101503 OF THE MICHIGAN ADMINISTRATIVE CODE OR SCHEDULES OF MAXIMUM FEES FOR WORKER'S COMPENSATION DEVELOPED UNDER THOSE RULES.

IF THE DIRECTOR DETERMINES THAT THE CHANGES ARE REASONABLE AND APPROPRIATE FOR PURPOSES OF ASSURING AFFORDABLE AUTOMOBILE INSURANCE IN THIS STATE, THE CHANGES APPLY FOR PURPOSES OF THIS SUBSECTION AND THE DIRECTOR SHALL ISSUE AN ORDER TO THAT EFFECT.

(3) 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.
(4) An insurer may contract to pay benefits for attendant care for more than the hourly limitation under subsection (3).

(5) If R 418.10101 to R 418.101503 of the Michigan Administrative Code or schedules of maximum fees for worker's compensation developed under those rules, in effect on the effective date of the amendatory act that added this subsection, including any changes applicable under subsection (2), do not provide an amount payable for treatment, training, product, service, or accommodation rendered to an injured person for accidental bodily injury covered by personal protection insurance or rehabilitative occupational training to the injured person following the injury, the person that renders the treatment, product, service, or accommodation is not eligible for payment or reimbursement under this chapter of more than the average amount accepted by the person as payment or reimbursement in full for the treatment, training, product, service, or accommodation during the preceding calendar year in cases that do not involve personal protection insurance.

(6) 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 the effective date of the amendatory act.
House Bill No. 4397 as amended May 9, 2019

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

[(7) SUBSECTIONS (2) TO (6) DO NOT APPLY TO EMERGENCY MEDICAL SERVICES RENDERED BY AN AMBULANCE OPERATION. AS USED IN THIS SUBDIVISION:
(i) "AMBULANCE OPERATION" MEANS THAT TERM AS DEFINED IN SECTION 20902 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.20902.
(ii) "EMERGENCY MEDICAL SERVICES" MEANS THAT TERM AS DEFINED IN SECTION 20904 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.20904.]

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

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

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 THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, 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 FALSE OR MISLEADING RECORDS OR OTHER INFORMATION TO AN INSURER, THE ASSOCIATION CREATED UNDER
SECTION 3104, OR THE DEPARTMENT UNDER THIS SECTION 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.

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

(7) 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. 3157B. ANY PROPRIETARY INFORMATION OR SENSITIVE PERSONALLY IDENTIFIABLE INFORMATION REGARDING A PATIENT THAT IS SUBMITTED TO THE DEPARTMENT UNDER SECTION 3157A IS EXEMPT FROM DISCLOSURE UNDER SECTION 13(E) OF THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.243, AND THE DEPARTMENT SHALL EXEMPT ANY SUCH INFORMATION FROM DISCLOSURE UNDER ANY OTHER APPLICABLE EXEMPTIONS

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. is subject 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 CLAIM personal protection insurance benefits through the assigned claims plan if ANY OF THE FOLLOWING APPLY:

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

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

(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.

(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 AN INTEREST PENALTY IN CONNECTION WITH
A CLAIM FOR ANY PERIOD OF TIME DURING WHICH THE CLAIM IS REASONABLY
IN DISPUTE.

(5) 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 \textbf{MUST} 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-1.1395ll.

(6) (2) 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 shall **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 **APPLICABLE ON** 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 THE LIMIT PROVIDED IN SECTION 3107C(1)(A).

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 **THE** eligibility for benefits under THIS CHAPTER AND the assigned claims plan, and shall deny **an obviously ineligible** a claim **THE** 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 shall be notified promptly in writing AND ANY PERSON THAT
SUBMITTED A CLAIM THROUGH OR ON BEHALF OF A CLAIMANT of the a
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
PREASSUPTION 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 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 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 shall 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 shall 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) The 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 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 shall 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 shall 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 shall 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 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 PA 300, MCL 257.25. FOR PURPOSES OF THIS SECTION, AN uninsured motor vehicle for the purpose of this section is a motor vehicle with respect to which security as required by sections 3101 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 ON receipt of a certified

abstract of court record of a judgment DESCRIBED IN SUBSECTION (1)

or notice from the AN 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

case 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 63

AUTOMOBILE INSURANCE FRAUD TASK FORCE

SEC. 6301. AS USED IN THIS CHAPTER:

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

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

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

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

(2) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS,

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

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

(C) ONE REPRESENTATIVE OF THE CATASTROPHIC CLAIMS ASSOCIATION
CREATED UNDER SECTION 3104, APPOINTED BY THE CATASTROPHIC CLAIMS
ASSOCIATION BOARD.

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

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

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

(4) THE TASK FORCE SHALL DO ALL OF THE FOLLOWING:
(A) RECEIVE RECORDS FROM THE ANTI-FRAUD UNIT CREATED UNDER
(B) COLLECT AND MAINTAIN CLAIMS OF AUTOMOBILE INSURANCE FRAUD.
(C) INVESTIGATE CLAIMS OF AUTOMOBILE INSURANCE FRAUD.
(D) MAINTAIN RECORDS OF ITS INVESTIGATIONS.
(E) PURSUE THE PROSECUTION, WHETHER CRIMINAL OR CIVIL, OF
PERSONS THAT COMMIT AUTOMOBILE INSURANCE FRAUD.

(5) THE TASK FORCE MAY DO 1 OR MORE OF THE FOLLOWING:
(A) SHARE RECORDS OF ITS INVESTIGATIONS WITH OTHER LAW
ENFORCEMENT AGENCIES AND DEPARTMENTS AND AGENCIES OF THIS STATE.
(B) REVIEW RECORDS OF OTHER LAW ENFORCEMENT AGENCIES AND
DEPARTMENTS AND AGENCIES OF THIS STATE TO ASSIST IN THE
INVESTIGATION OF AUTOMOBILE INSURANCE FRAUD AND ENFORCEMENT OF LAWS
RELATING TO AUTOMOBILE INSURANCE FRAUD.

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

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

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

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

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

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

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

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

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

(A) UNTIL 5 YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION,
MONEY IN THE FUND MUST BE DISBURSED TO THE DEPARTMENT OF STATE
MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY, AND THE
DEPARTMENT OF THE ATTORNEY GENERAL, IN PROPORTION TO THE NUMBER OF
OFFICERS, EMPLOYEES, OR REPRESENTATIVES EACH OF THESE HAS ON THE
TASK FORCE. MONEY DISBURSED UNDER THIS SUBDIVISION MUST BE USED FOR
THE OPERATION OF THE TASK FORCE.

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

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

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

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

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

(3) THE TASK FORCE 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.
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.