A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"

by amending sections 150, 2105, 2108, 2118, 2120, 3101, 3101a, 3104, 3107,
3111, 3112, 3113, 3114, 3115, 3135, 3142, 3148, 3157, 3163, 3172,
3173a, 3174, 3175, and 3177 (MCL 500.150, MCL 500.2105, MCL 500.2108,
500.2118, 500.2120,
500.3101, 500.3101a, 500.3104, 500.3107, 500.3111, 500.3112,
500.3113, 500.3114, 500.3115, 500.3135, 500.3135, 500.3142, 500.3148,
500.3157, 500.3163, 500.3172, 500.3173a, 500.3174, 500.3175, and
500.3177), section 150 as amended by 1992 PA 182, section 2108 as amended
by 2015 PA 141, sections 2118 and
2120 as amended by 2007 PA 35, section 3101 as amended by 2017 PA
140, section 3101a as amended by 2018 PA 510, section 3104 as
amended by 2002 PA 662, section 3107 as amended by 2012 PA 542,
section 3113 as amended by 2016 PA 346, section 3114 as amended by
2016 PA 347, section 3135 as amended by 2012 PA 158, section 3163
as amended by 2002 PA 697, sections 3172, 3173a, 3174, and 3175 as amended by 2012 PA 204, and section 3177 as amended by 1984 PA 426, and by adding sections 261, 1245, 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 MUST be afforded an opportunity for a hearing before the commissioner pursuant to the administrative procedures act of 1969, Act No. 306 of the Public Acts of 1969, being sections 1969 PA 306, MCL 24.201 to 24.328. If the commissioner DIRECTOR finds that a violation has occurred, the commissioner DIRECTOR shall reduce the findings and decision to writing and shall issue and cause to be served upon the person charged with the violation a copy of the findings and an order requiring the person to cease and desist from the violation. In addition, the commissioner DIRECTOR may order any of the following:

(a) Payment of a civil fine of not more than $500.00 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 DIRECTOR 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
ON 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—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 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.

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 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
(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. 1245. (1) An insurance producer, including, but not limited to, a producing agency, or an employee or agent of an insurance producer is not liable for damages caused by the conduct of the producer, employee, or agent related to obtaining or providing information, or the choice of or election not to maintain personal protection insurance benefits, under sections 3107C to 3107E.

(2) This section does not apply with respect to a policy issued or renewed after 18 months after the effective date of the Amendatory Act that added this section.

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 this chapter. This chapter shall not apply to policies of automobile insurance or home insurance offered, bound, made, issued, delivered or renewed in this state before January 1, 1981.

(2) This 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. However, Section 2111(4), with respect to sex, applies to automobile insurance written on a group, franchise, blanket policy, or similar basis.

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. 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 information accompanying filings under this section that were subject to public inspection before the effective date of the amendatory act that added this sentence.

(6) 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.

(7) 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. 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 MUST be based only on the following:

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

(b) The insurance eligibility point accumulation in excess of the amounts established by section 2103(1) of a member of the household of the eligible person insured or to be insured, if the member of the household usually accounts for 10% or more of the use of a vehicle insured or to be insured. For purposes of this subdivision, a person who is the principal driver for 1 automobile insurance policy shall be IS 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 shall not be based on the use of a vehicle for volunteer or charitable purposes or for which reimbursement for normal operating expenses is received.

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

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

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

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

Sec. 2120. (1) Affiliated insurers may establish underwriting rules so that each affiliate will provide automobile insurance only to certain eligible persons. This subsection shall apply only if an eligible person can obtain automobile insurance from one of the affiliates. The underwriting rules shall 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 shall apply only if all eligible persons can obtain automobile
insurance under a rating plan of the insurer. Underwriting rules consistent with this section and sections 2118 and 2119 shall be established to define the rating plan applicable to each eligible person.

(3) Underwriting rules under this section shall 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. 3101. (1) The owner or registrant of a motor vehicle required to be registered in this state shall maintain security for payment of benefits under personal protection insurance AND property protection insurance AS REQUIRED UNDER THIS CHAPTER, and residual liability insurance. Security is only required to be in effect during the period the motor vehicle is driven or moved on a highway. Notwithstanding any other provision in this act, an 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.

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

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

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

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

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

(m) "Power-driven mobility device" means a wheelchair or other
mobility device powered by a battery, fuel, or other engine and
designed to be used by an individual with a mobility disability for
the purpose of locomotion.
(n) "Registrant" does not include a person engaged in the business of leasing motor vehicles or motorcycles that is the lessor of a motor vehicle or motorcycle under a lease that provides for the use of the motor vehicle or motorcycle by the lessee for a period that is longer than 30 days.

(3) 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—**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 6 months after the effective date of the amendingatory act that added section 3107C, 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 6 months after the effective date of the amendingatory act that added section 3107C, 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, 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.
Beginning July 1, 2013, this $500,000.00 amount shall 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, and rounded to the nearest $5,000.00. This biennial adjustment shall be calculated by the association by January 1 of the year of its July 1 effective date.

(i) 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 6 months after the effective date of the amendatory act that added section 3107C, $580,000.00.

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

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

(5) An unsatisfied net liability to the association of an insolvent member shall be assumed by and apportioned among the remaining members of the association as provided in the plan of operation.
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 **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 **RELATING** 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, **LESS ANY MONEY PAYABLE BY INSURERS UNDER SUBSECTION (21)**. The **TOTAL** premium **MUST** include an amount to cover incurred but not reported losses for the period and **MUST** be adjusted for any excess or deficient premiums from previous periods, **INCLUDING ANY PERIOD PREVIOUS TO THE DISSOLUTION OF THE ASSOCIATION UNDER SUBSECTION (10)(H)**.

Excesses or deficiencies from previous periods **MUST EITHER** be fully adjusted in a single period or **MUST** be adjusted over several periods in a manner provided for in the plan of operation. Each member **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 **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 **AND INSURERS DESCRIBED IN SUBSECTION (21)** during the period to which the premium applies. A member **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 (22).

(I) SUBJECT TO SUBSECTION (24), OBEY AN ORDER OF THE DIRECTOR FOR A REBATE UNDER SUBSECTION (23).

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

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

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

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

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

(e) Contract for goods and services, including independent claims management, actuarial, investment, and legal services, from others **within** 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 shall 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 (25), AS ORDERED BY THE DIRECTOR UNDER SUBSECTION (23). 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) The investment policy of the association.

(H) A DISSOLUTION PLAN FOR THE EVENTUAL PAYMENT OF ALL CLAIMS REMAINING AGAINST THE ASSOCIATION, THE DISSOLUTION OF THE
ASSOCIATION, AND THE DISTRIBUTION OF ANY PROCEEDS FROM THE
DISSOLUTION, INCLUDING MONEY HELD BY THE ASSOCIATION.

(I) (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 AND THE TERMS OF BOARD MEMBERS, 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, DIRECTOR, WHO shall serve as an ex
officio member of the board without vote.

(14) Each director shall be appointed by the
commissioner and APPOINT THE BOARD MEMBERS. A BOARD MEMBER shall
serve until that member’s successor is selected and
qualified. The BOARD SHALL ELECT THE chairperson of the board.
shall be elected by the board. A THE DIRECTOR SHALL FILL ANY
vacancy on the board shall be filled by the commissioner consistent
with AS PROVIDED IN the plan of operation.
(15) After the board is appointed, the board shall meet as often as the chairperson, the commissioner, DIRECTOR, or the plan of operation requires, or at the request of any members of the board. The chairperson may vote on all issues. Four members of the board constitute a quorum.

(16) The board shall furnish to each member of the association an annual report of the operations of the association in a form and detail as may be determined by the board. shall be furnished to each member.

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

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

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

(18) (20) Upon approval by the commissioner and ratification
by the members of the plan submitted, or upon the promulgation of a
plan by the commissioner, each AN insurer authorized to write
insurance providing the security required by section 3101(1) in
this state 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT
THAT ADDED SECTION 3107C, as provided in this section, is bound by
and shall formally subscribe to and participate in the plan
approved OF OPERATION as a condition of maintaining its authority
to transact insurance in this state.

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

(20) (22) Premiums charged members by the association shall
MUST be recognized in the rate-making procedures for insurance
rates in the same manner that expenses and premium taxes are
recognized.

(21) THE RATE-MAKING PROCEDURES FOR INSURANCE RATES FOR AN INSURER ENGAGED IN WRITING INSURANCE COVERAGE THAT PROVIDE THE SECURITY REQUIRED BY SECTION 3101(1) OR 3103(1) IN THIS STATE THAT DID NOT WRITE THOSE COVERAGE BEFORE 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED SECTION 3107C MUST RECOGNIZE A PORTION OF THE EXPECTED LOSSES AND EXPENSES OF THE ASSOCIATION THAT THE ASSOCIATION WILL LIKELY INCUR DURING THE APPLICABLE PERIOD, ADJUSTED FOR ANY EXCESSSES OR DEFICIENCIES FROM ANY PREVIOUS PERIODS IN THE MANNER PROVIDED IN SUBSECTION (7)(D). THE PORTION TO BE RECOGNIZED IN RATES FOR AN INSURER UNDER THIS SUBSECTION MUST BE DETERMINED BY MULTIPLYING THE INSURER'S TOTAL WRITTEN CAR YEARS OF INSURANCE PROVIDING THE SECURITY REQUIRED BY SECTION 3101(1) OR 3103(1), OR BOTH, BY THE AVERAGE PREMIUM PER CAR DETERMINED UNDER SUBSECTION (7)(D). AN INSURER DESCRIBED IN THIS SUBSECTION SHALL PAY TO THE ASSOCIATION ALL MONEY RECEIVED FROM ITS INSUREDS UNDER THIS SUBSECTION.

(22) 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.


(25) 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.

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

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

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

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

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

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

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

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

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

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

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

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

(L) A STATEMENT EXPLAINING WHAT PORTION OF THE ASSESSMENT TO INSUREDs AS RECOGNIZED IN RATES UNDER SUBSECTIONS (20) AND (21) 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 (22).

(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 QUADRIPLEGIA, INJURIES RESULTING IN PARAPLEGIA, BURN INJURIES, AND OTHER INJURIES.

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

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

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

(27) 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) A DISCUSSION OF THE PROGRESS MADE BY THE ASSOCIATION IN
DEVELOPING A DISSOLUTION PLAN AS REQUIRED UNDER SUBSECTION (10)(H)
AND, WHEN IT IS DEVELOPED, THE PLAN OF DISSOLUTION. THE DISCUSSION
MUST INCLUDE ANY ANTICIPATED DISSOLUTION DATE FOR THE ASSOCIATION.

(E) THE ANNUAL CONSUMER STATEMENT PREPARED UNDER SUBSECTION
(26).

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

(28) (24) The association does not have liability for losses
occurring before July 1, 1978. THE ASSOCIATION DOES NOT HAVE
LIABILITY FOR AN ULTIMATE LOSS UNDER PERSONAL PROTECTION INSURANCE
COVERAGE FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED
AFTER _____.
(29) (25) As used in this section:
______ (a) "Consumer price index" means the percentage of change in
the consumer price index for all urban consumers in the United
States city average for all items for the 24 months prior to
October 1 of the year prior to the July 1 effective date of the
biennial adjustment under subsection (2)(k) as reported by the
United States department of labor, bureau of labor statistics, and
as certified by the commissioner.
(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) "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) (b) "Motor vehicle accident policy" means a policy
providing the coverages required under section 3101(1).
(F) (e) "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 not include either of the following:

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

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

(b) Work loss consisting of loss of income from work an injured person would have performed during the first 3 years after the date of the accident if he or she had not been injured. Work loss does not include any loss after the date on which the injured person dies. Because the benefits received from personal protection insurance for loss of income are not taxable income, the benefits payable for such loss of income shall 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. 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
not exceed $5,189.00, which maximum shall apply pro rata to any lesser period of work loss. Beginning October 1, 2013, the maximum shall 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 apply only to benefits arising out of accidents occurring subsequent to AFTER 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 SUBSECTIONS (5) AND (8), FOR AN INSURANCE POLICY THAT

PROVIDES THE SECURITY REQUIRED UNDER SECTION 3101(1) AND IS ISSUED

OR RENEWED 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).

(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).

(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), A RIDER THAT WILL PROVIDE COVERAGE FOR ATTENDANT CARE IN EXCESS OF THE LIMITS APPLICABLE TO THE POLICY UNDER SUBSECTION (1).
(8) After the effective date of the amendatory act that added this section, an insurer may offer an insurance policy that provides the security required under section 3101(1) that provides coverage for personal protection insurance benefits under section 3107(1)(A) without any limit under subsection (1).

Sec. 3107D. (1) For an insurance policy that provides the security required under section 3101(1) and is issued or renewed 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 COVERAGE.

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

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 UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO 3175.

(5) A SUBJECT TO SUBSECTIONS (6) AND (7), 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 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
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 shall MUST be assessed on the basis of comparative
fault, except that damages shall MUST not be assessed in favor of a
party who is more than 50% at fault.
(c) Damages shall 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 be conducted as provided in subsection (4).

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

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

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

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

(d) A decision of the court is not res judicata in any proceeding to determine any other liability arising from the same circumstances that gave rise to the action.
(e) Damages shall not be assessed if the damaged motor vehicle was being operated at the time of the damage without the security required by section 3101.

(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 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.

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

Sec. 3148. (1) An attorney is entitled to a reasonable fee for advising and representing a claimant in an action for personal or property protection insurance benefits which are overdue. The attorney's fee shall be a charge against the insurer in addition to the benefits recovered, if the court finds that the insurer unreasonably refused to pay the claim or unreasonably delayed in making proper payment. AN ATTORNEY ADVISING OR REPRESENTING AN INJURED PERSON CONCERNING A CLAIM FOR PAYMENT OF PERSONAL PROTECTION INSURANCE BENEFITS FROM AN INSURER SHALL NOT CLAIM, FILE, OR SERVE A LIEN FOR PAYMENT OF A FEE OR FEES UNTIL 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) An A COURT MAY AWARD AN insurer may be allowed by a court an award of a reasonable sum AMOUNT against a claimant as an attorney’s ATTORNEY fee for the insurer’s attorney in defense DEFENDING against a—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 a—AN ATTORNEY fee AWARDED IN FAVOR OF THE INSURER may be treated—TAKEN as an offset against such THE benefits. Also, judgment JUDGMENT may ALSO be entered against the claimant for any amount of a—AN ATTORNEY fee awarded against him and THAT IS not offset in this way AGAINST BENEFITS or otherwise
paid.

(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), (3), AND (5), 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. 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.

(2) 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 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) SUBSECTIONS (2) TO (5) 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
(5) APPLY REGARDLESS OF WHETHER INDEMNIFICATION FOR THE CHARGE IS
BEING MADE BY THE CATASTROPHIC CLAIMS ASSOCIATION UNDER SECTION
3104.

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. 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 personal protection insurance benefits through the assigned claims plan if no ANY OF THE FOLLOWING APPLY:

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

(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 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-1.395III.

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

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

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

(c) An action THE INSURER ASSIGNED THE CLAIM BY THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY shall be immediately commenced 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 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 eligibility for benefits under THIS CHAPTER AND the assigned claims plan, and shall deny an obviously ineligible claim. 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 denial and the reasons for the denial.

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

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

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

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

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

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

(iii) Any reasonable request by the person to reschedule the
date, time, or location of the examination was accommodated.

(3) The Michigan Automobile Insurance Placement Facility may
perform its functions and responsibilities under this section and
the assigned claims plan directly or through an insurer assigned by
the Michigan Automobile Insurance Placement Facility to administer
the claim on behalf of the Michigan Automobile Insurance Placement
Facility. The assignment of a claim by the Michigan Automobile
Insurance Placement Facility to an insurer is not a determination
of eligibility under this chapter or the assigned claims plan, and
a claim assigned to an insurer by the Michigan Automobile Insurance
Placement Facility may later be denied if the claim is not eligible
under this chapter or the assigned claims plan.

(4) A person who presents or causes to be presented an
oral or written statement, including computer-generated
information, as part of or in support of a claim to the Michigan
automobile insurance placement facility, or to an insurer to which
the claim is assigned under the assigned claims plan, for payment
or another benefit knowing that the statement contains false
information concerning a fact or thing material to the claim
commits a fraudulent insurance act under section 4503 that is
subject to the penalties imposed under section 4511. A claim that
contains or is supported by a fraudulent insurance act as described
in this subsection is ineligible for payment or 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 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 must be determined by applying the annual yield rate specified in this subsection to the total claims payments and loss adjustment costs multiplied by a fraction, the denominator of which is 365 and the numerator of which is equal to the number of days that have elapsed between the end of the calendar year and the date payments for the operation of the assigned claims plan are due.

(2) 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 Michigan automobile insurance placement facility. The insurer to whom claims have been assigned shall preserve and enforce rights to indemnity or reimbursement against third
parties and account to the Michigan automobile insurance placement facility for the rights and shall assign the rights to the Michigan automobile insurance placement facility on reimbursement by the Michigan automobile insurance placement facility. This section does not preclude an insurer from entering into reasonable compromises and settlements with third parties against whom rights to indemnity or reimbursement exist. The insurer shall account to the Michigan automobile insurance placement facility for any compromises and settlements. The procedures established under the assigned claims plan 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.

(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 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 receipt of a certified abstract of court record of a judgment DESCRIBED IN SUBSECTION (1) or notice from 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 PERSON'S LAST RECORDED ADDRESS 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
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.


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

(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:


(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 POLICE, THE DEPARTMENT, THE CATASTROPHIC CLAIMS ASSOCIATION, THE
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
OF INSURANCE COMPANIES OCCURRING IN THIS STATE FOR THE PREVIOUS
YEAR, ASSESS THE IMPACT OF THE FRAUD AND UNFAIR CLAIMS PRACTICES ON
RATES CHARGED FOR AUTOMOBILE INSURANCE, AND OUTLINE ANY
EXPENDITURES MADE BY THE TASK FORCE. THE DIRECTOR SHALL COOPERATE
IN DEVELOPING THE REPORT AS REQUESTED BY THE TASK FORCE AND SHALL
MAKE AVAILABLE TO THE TASK FORCE RECORDS AND STATISTICS CONCERNING
AUTOMOBILE INSURANCE FRAUD BY MEDICAL PROVIDERS, ATTORNEYS, OR
OTHER PERSONS AND UNFAIR CLAIMS PRACTICES, INCLUDING THE NUMBER OF
INSTANCES OF SUSPECTED AND CONFIRMED AUTOMOBILE INSURANCE FRAUD,
NUMBER OF PROSECUTIONS AND CONVICTIONS INVOLVING AUTOMOBILE
INSURANCE FRAUD, AUTOMOBILE INSURANCE FRAUD RECIDIVISM, UNFAIR
SETTLEMENT PRACTICES AND CLAIMS PRACTICES, INCLUDING THOSE REPORTED
TO THE DEPARTMENT UNDER SECTION 261, REIMBURSEMENT RATE PRACTICES,
TIMELINESS OF CLAIMS PRACTICES, AND THE USE OF INDEPENDENT MEDICAL
EXAMINERS. THE TASK FORCE SHALL EVALUATE THE IMPACT AUTOMOBILE
INSURANCE FRAUD BY MEDICAL PROVIDERS, ATTORNEYS, OR OTHER PERSONS
HAS ON THE CITIZENS OF THIS STATE AND THE COSTS INCURRED BY THE
CITIZENS THROUGH INSURANCE, POLICE ENFORCEMENT, PROSECUTION, AND
INCARCERATION BECAUSE OF AUTOMOBILE INSURANCE FRAUD. THE TASK FORCE
SHALL EVALUATE THE IMPACT UNFAIR CLAIMS PRACTICES BY INSURERS HAVE
ON THE CITIZENS OF THIS STATE AND SHALL DETERMINE THE COSTS
INCURRED BY THE CITIZENS THROUGH UNNECESSARY LITIGATION AND BAD-
FAITH 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.