

**SUBSTITUTE FOR  
SENATE BILL NO. 1**

As amended May 7, 2019

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, 500.3142, 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:**

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

15           (a) Payment of a civil fine of not more than \$500.00 for each  
16 violation. However, if the person knew or reasonably should have  
17 known that he or she was in violation of this act, the ~~commissioner~~  
18 **DIRECTOR** may order the payment of a civil fine of not more than  
19 \$2,500.00 for each violation. With respect to filings made under  
20 chapters 21, 22, 23, 24, and 26, "violation" means a filing not in  
21 compliance with ~~the provisions of~~ those chapters and does not  
22 include an action with respect to an individual policy based ~~upon~~

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

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

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

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

1 CEASE AND DESIST ORDER RELATED TO AN ACT OR OMISSION UNDER SECTION  
2 4503, THE FINE MUST BE CREDITED TO THE AUTOMOBILE INSURANCE FRAUD  
3 FUND CREATED IN SECTION 6304.

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

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

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

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

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

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

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

24 (F) ANYTHING ELSE THAT THE DIRECTOR DETERMINES TO BE IMPORTANT  
25 IN RELATION TO SUBDIVISIONS (A) TO (E).

26 (2) THE DEPARTMENT SHALL MAINTAIN ON ITS INTERNET WEBSITE A  
27 PAGE THAT ADVISES CONSUMERS ABOUT THE CHANGES TO AUTOMOBILE

Senate Bill No. 1 as amended May 7, 2019

(1 of 2)

1 INSURANCE IN THIS STATE THAT WERE MADE BY THE AMENDATORY ACT THAT  
 2 ADDED THIS SECTION, INCLUDING, AMONG ANY OTHER INFORMATION THAT THE  
 3 DIRECTOR DETERMINES TO BE IMPORTANT, WAYS TO SHOP COMPETITIVELY FOR  
 4 INSURANCE.

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

8 SEC. 1245. (1) AN INSURANCE PRODUCER, INCLUDING, BUT NOT  
 9 LIMITED TO, A PRODUCING AGENCY, OR AN EMPLOYEE OR AGENT OF AN  
 10 INSURANCE PRODUCER IS NOT LIABLE FOR DAMAGES CAUSED BY THE CONDUCT  
 11 OF THE PRODUCER, EMPLOYEE, OR AGENT RELATED TO OBTAINING OR  
 12 PROVIDING INFORMATION, OR THE CHOICE OF OR ELECTION NOT TO MAINTAIN  
 13 PERSONAL PROTECTION INSURANCE BENEFITS, UNDER SECTIONS 3107C TO  
 14 3107E.

15 (2) THIS SECTION DOES NOT APPLY WITH RESPECT TO A POLICY  
 16 ISSUED OR RENEWED AFTER 18 MONTHS AFTER THE EFFECTIVE DATE OF THE  
 17 AMENDATORY ACT THAT ADDED THIS SECTION.

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

(2) This chapter shall-DOES not apply to insurance written on a group, franchise, blanket policy, or similar basis which-THAT offers home insurance or automobile insurance to all members of the group, franchise plan, or blanket coverage who are eligible persons. **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.~~ **JANUARY 11, 2016.**

(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.>>**

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

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

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

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

9           (a) Criteria identical to the standards set forth in section  
10 2103(1).

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

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

24           (d) Except as otherwise provided in section 2116a **OR 2116B**,  
25 failure by the person to provide proof that insurance required by  
26 section 3101 was maintained in force with respect to any vehicle  
27 that was both owned by the person and driven or moved by the person

1 or by a member of the household of the person during the 6-month  
2 period immediately preceding application. ~~Such~~**THE** proof ~~shall~~**MUST**  
3 take the form of a certification by the person on a form provided  
4 by the insurer that the vehicle was not driven or moved without  
5 maintaining the insurance required by section 3101 during the 6-  
6 month period immediately preceding application.

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

9 (i) The vehicle is of limited production or of custom  
10 manufacture.

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

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

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

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

26 (h) For purposes of requiring comprehensive deductibles of not  
27 more than \$150.00, or of refusing to insure if the person refuses



1 to accept a required deductible, the claim experience of the person  
2 with respect to comprehensive coverage.

3 (i) Total abstinence from the consumption of alcoholic  
4 beverages except if such beverages are consumed as part of a  
5 religious ceremony. However, an insurer shall not ~~utilize~~**USE** an  
6 underwriting rule based on this subdivision unless the insurer ~~has~~  
7 ~~been~~**WAS** authorized to transact automobile insurance in this state  
8 ~~prior to~~**BEFORE** January 1, 1981, and has consistently ~~utilized~~**USED**  
9 such an underwriting rule as part of the insurer's automobile  
10 insurance underwriting since being authorized to transact  
11 automobile insurance in this state.

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

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

23 (2) An insurer may establish separate rating plans so that  
24 certain eligible persons are provided automobile insurance under 1  
25 rating plan and other eligible persons are provided automobile  
26 insurance under another rating plan. This subsection ~~shall apply~~  
27 **APPLIES** only if all eligible persons can obtain automobile

1 insurance under a rating plan of the insurer. Underwriting rules  
2 consistent with this section and sections 2118 and 2119 ~~shall~~**MUST**  
3 be established to define the rating plan applicable to each  
4 eligible person.

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

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

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

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

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

25 (e) A person's insurance eligibility point accumulation under  
26 section 2103(1)(h), or the total insurance eligibility point  
27 accumulation of all persons who account for 10% or more of the use

1 of 1 or more vehicles insured or to be insured under the policy.

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

4 Sec. 3101. (1) ~~The~~ **EXCEPT AS PROVIDED IN SECTION 3107D, THE**  
5 owner or registrant of a motor vehicle required to be registered in  
6 this state shall maintain security for payment of benefits under  
7 personal protection insurance ~~—~~ **AND** property protection insurance  
8 **AS REQUIRED UNDER THIS CHAPTER**, and residual liability insurance.  
9 Security is only required to be in effect during the period the  
10 motor vehicle is driven or moved on a highway. Notwithstanding any  
11 other provision in this act, an insurer that has issued an  
12 automobile insurance policy on a motor vehicle that is not driven  
13 or moved on a highway may allow the insured owner or registrant of  
14 the motor vehicle to delete a portion of the coverages under the  
15 policy and maintain the comprehensive coverage portion of the  
16 policy in effect.

17 (2) As used in this chapter:

18 (a) "Automobile insurance" means that term as defined in  
19 section 2102.

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

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

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

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

27 (iv) The vehicle is designed to be occupied by a driver and

1 powered either by passengers providing pedal power to the drive  
2 train of the vehicle or by a motor capable of propelling the  
3 vehicle in the absence of human power.

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

5 (vi) The vehicle is operated by the owner of the vehicle or an  
6 employee of the owner of the vehicle.

7 (c) "Electric bicycle" means that term as defined in section  
8 13e of the Michigan vehicle code, 1949 PA 300, MCL 257.13e.

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

11 (e) "Highway" means highway or street as that term is defined  
12 in section 20 of the Michigan vehicle code, 1949 PA 300, MCL  
13 257.20.

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

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

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

27 (i) "Motor vehicle" means a vehicle, including a trailer, that

1 is operated or designed for operation on a public highway by power  
2 other than muscular power and has more than 2 wheels. Motor vehicle  
3 does not include any of the following:

4 (i) A motorcycle.

5 (ii) A moped.

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

10 (iv) An ORV.

11 (v) A golf cart.

12 (vi) A power-driven mobility device.

13 (vii) A commercial quadricycle.

14 (viii) An electric bicycle.

15 (j) "Motor vehicle accident" means a loss that involves the  
16 ownership, operation, maintenance, or use of a motor vehicle as a  
17 motor vehicle regardless of whether the accident also involves the  
18 ownership, operation, maintenance, or use of a motorcycle as a  
19 motorcycle.

20 (k) "ORV" means a motor-driven recreation vehicle designed for  
21 off-road use and capable of cross-country travel without benefit of  
22 road or trail, on or immediately over land, snow, ice, marsh,  
23 swampland, or other natural terrain. ORV includes, but is not  
24 limited to, a multitrack or multiwheel drive vehicle, a motorcycle  
25 or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious  
26 machine, a ground effect air cushion vehicle, an ATV as defined in  
27 section 81101 of the natural resources and environmental protection

1 act, 1994 PA 451, MCL 324.81101, or other means of transportation  
2 deriving motive power from a source other than muscle or wind. ORV  
3 does not include a vehicle described in this subdivision that is  
4 registered for use on a public highway and has the security  
5 required under subsection (1) or section 3103 in effect.

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

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

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

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

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

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

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

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

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

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

24 Sec. 3101a. (1) An insurer, in conjunction with the issuance  
25 of an automobile insurance policy, shall provide to the insured 1  
26 certificate of insurance for each insured vehicle and for private  
27 passenger nonfleet automobiles listed on the policy shall supply to

1 the secretary of state the automobile insurer's name, the name of  
2 the named insured, the named insured's address, the vehicle  
3 identification number for each vehicle listed on the policy, and  
4 the policy number. The insurer shall transmit the information  
5 required under this subsection in a format as required by the  
6 secretary of state. The secretary of state shall not require the  
7 information to be transmitted more frequently than every 14 days.

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

22       (3) ~~(2)~~—The secretary of state shall provide policy  
23 information received under subsection (1) to the department of  
24 health and human services as required for the department of health  
25 and human services to comply with 2006 PA 593, MCL 550.281 to  
26 550.289.

27       (4) ~~(3)~~—The secretary of state shall accept as proof of



1 vehicle insurance a transmission of the insured vehicle's vehicle  
2 identification number. Policy information submitted by an insurer  
3 and received by the secretary of state under this section is  
4 confidential, is not subject to the freedom of information act,  
5 1976 PA 442, MCL 15.231 to 15.246, and ~~shall~~**MUST** not be disclosed  
6 to any person except the department of health and human services  
7 for purposes of 2006 PA 593, MCL 550.281 to 550.289, or pursuant to  
8 an order by a court of competent jurisdiction in connection with a  
9 claim or fraud investigation or prosecution. The transmission to  
10 the secretary of state of a vehicle identification number is proof  
11 of insurance to the secretary of state for motor vehicle  
12 registration purposes only and is not evidence that a policy of  
13 insurance actually exists between an insurer and an individual.

14 (5) ~~(4)~~—A person who supplies false information to the  
15 secretary of state under this section or who issues or uses an  
16 altered, fraudulent, or counterfeit certificate of insurance is  
17 guilty of a misdemeanor punishable by imprisonment for not more  
18 than 1 year or a fine of not more than \$1,000.00, or both.

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

1 (7) ~~(6)~~ As used in this section:

2 (a) "Automobile insurance" means that term as defined in  
3 section 3303.

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

6 Sec. 3104. (1) ~~An~~ **THE CATASTROPHIC CLAIMS ASSOCIATION IS**  
7 **CREATED AS AN** unincorporated, nonprofit association. ~~to be known as~~  
8 ~~the catastrophic claims association, hereinafter referred to as the~~  
9 ~~association, is created.~~ Each insurer engaged in writing insurance  
10 coverages that provide the security required by section 3101(1)  
11 ~~within~~ **IN** this state **6 MONTHS AFTER THE EFFECTIVE DATE OF THE**  
12 **AMENDATORY ACT THAT ADDED SECTION 3107C**, as a condition of its  
13 authority to transact insurance in this state, shall be a member of  
14 the association and ~~shall be~~ **IS** bound by the plan of operation of  
15 the association. ~~Each~~ **AN** insurer engaged in writing insurance  
16 coverages that provide the security required by section 3103(1)  
17 ~~within~~ **IN** this state **6 MONTHS AFTER THE EFFECTIVE DATE OF THE**  
18 **AMENDATORY ACT THAT ADDED SECTION 3107C**, as a condition of its  
19 authority to transact insurance in this state, ~~shall be~~ **IS**  
20 considered **TO BE** a member of the association, but only for purposes  
21 of premiums under subsection (7)(d). Except as expressly provided  
22 in this section, the association is not subject to any laws of this  
23 state with respect to insurers, but in all other respects the  
24 association is subject to the laws of this state to the extent that  
25 the association would be if it were an insurer organized and  
26 subsisting under chapter 50.

27 (2) ~~The~~ **FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED**

1 **BEFORE 6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT**  
2 **ADDED SECTION 3107C, THE** association shall provide and each member  
3 shall accept indemnification for 100% of the amount of ultimate  
4 loss sustained under personal protection insurance coverages in  
5 excess of the following amounts in each loss occurrence:

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

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

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

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

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

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

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

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

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

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

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

1 ~~Beginning July 1, 2013, this \$500,000.00 amount shall be increased~~  
 2 ~~biennially on July 1 of each odd numbered year, for policies issued~~  
 3 ~~or renewed before July 1 of the following odd numbered year, by the~~  
 4 ~~lesser of 6% or the consumer price index, and rounded to the~~  
 5 ~~nearest \$5,000.00. This biennial adjustment shall be calculated by~~  
 6 ~~the association by January 1 of the year of its July 1 effective~~  
 7 ~~date.~~

8 (I) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED  
 9 DURING THE PERIOD JULY 1, 2013 TO JUNE 30, 2015, \$530,000.00.

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

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

14 (O) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED  
 15 DURING THE PERIOD JULY 1, 2019 TO 6 MONTHS AFTER THE EFFECTIVE DATE  
 16 OF THE AMENDATORY ACT THAT ADDED SECTION 3107C, \$580,000.00.

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

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

25 (5) An unsatisfied net liability to the association of an  
 26 insolvent member ~~shall~~ **MUST** be assumed by and apportioned among the  
 27 remaining members of the association as provided in the plan of

1 operation. The association has all rights allowed by law on behalf  
2 of the remaining members against the estate or funds of the  
3 insolvent member for ~~sums~~**MONEY** due the association.

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

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

11 (a) Assume 100% of all liability as provided in subsection  
12 (2).

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

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

27 (d) In a manner provided for in the plan of operation,

1 calculate and charge to members of the association a total premium  
2 sufficient to cover the expected losses and expenses of the  
3 association that the association will likely incur during the  
4 period for which the premium is applicable, **LESS ANY MONEY PAYABLE**  
5 **BY INSURERS UNDER SUBSECTION (21)**. The **TOTAL** premium ~~shall~~**MUST**  
6 include an amount to cover incurred but not reported losses for the  
7 period and ~~may~~**MUST** be adjusted for any excess or deficient  
8 premiums from previous periods, **INCLUDING ANY PERIOD PREVIOUS TO**  
9 **THE DISSOLUTION OF THE ASSOCIATION UNDER SUBSECTION (10) (H)** .  
10 Excesses or deficiencies from previous periods ~~may~~**MUST EITHER** be  
11 fully adjusted in a single period or ~~may~~ be adjusted over several  
12 periods in a manner provided for in the plan of operation. Each  
13 member ~~shall~~**MUST** be charged an amount equal to that member's total  
14 written car years of insurance providing the security required by  
15 section 3101(1) or 3103(1), or both, written in this state during  
16 the period to which the premium applies, **WITH THE TOTAL WRITTEN CAR**  
17 **YEARS OF INSURANCE** multiplied by the **APPLICABLE** average premium per  
18 car. The average premium per car ~~shall be~~**IS** the total premium,  
19 ~~calculated~~**AS ADJUSTED FOR ANY EXCESSES OR DEFICIENCIES**, divided by  
20 the total written car years of insurance providing the security  
21 required by section 3101(1) or 3103(1), **OR BOTH**, written in this  
22 state of all members **AND INSURERS DESCRIBED IN SUBSECTION (21)**  
23 during the period to which the premium applies. A member ~~shall~~**MUST**  
24 be charged a premium for a historic vehicle that is insured with  
25 the member of 20% of the premium charged for a car insured with the  
26 member. ~~As used in this subdivision:~~  
27 ~~—— (i) "Car" includes a motorcycle but does not include a~~

1 ~~historic vehicle.~~

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

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

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

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

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

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

23 **(H) PROVIDE ANY RECORDS NECESSARY OR REQUESTED BY THE DIRECTOR**  
 24 **FOR THE ACTUARIAL EXAMINATION UNDER SUBSECTION (22).**

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

27 (8) In addition to other powers granted to it by this section,

1 the association may do all of the following:

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

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

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

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

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

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

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



1 the plan of operation.

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

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

8 (a) The establishment of necessary facilities.

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

10 (c) Procedures to be utilized in charging premiums, including  
11 adjustments from excess or deficient premiums from prior periods.  
12 **THE PLAN MUST REQUIRE THAT ANY DEFICIENCY FROM A PRIOR PERIOD BE**  
13 **AMORTIZED OVER NOT FEWER THAN 15 YEARS.**

14 **(D) PROCEDURES FOR A REBATE TO MEMBERS OF THE ASSOCIATION, FOR**  
15 **DISTRIBUTION TO INSUREDS AS PROVIDED IN SUBSECTION (25), AS ORDERED**  
16 **BY THE DIRECTOR UNDER SUBSECTION (23). THE PROCEDURES MUST PROVIDE**  
17 **FOR A DISTRIBUTION OF A REBATE ATTRIBUTABLE TO A HISTORIC VEHICLE**  
18 **EQUAL TO 20% OF THE REBATE FOR A CAR THAT IS NOT A HISTORIC**  
19 **VEHICLE.**

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

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

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

26 **(H) A DISSOLUTION PLAN FOR THE EVENTUAL PAYMENT OF ALL CLAIMS**  
27 **REMAINING AGAINST THE ASSOCIATION, THE DISSOLUTION OF THE**

1 **ASSOCIATION, AND THE DISTRIBUTION OF ANY PROCEEDS FROM THE**  
2 **DISSOLUTION, INCLUDING MONEY HELD BY THE ASSOCIATION.**

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

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

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

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

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

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

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

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

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

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

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

12 (18) ~~(20) Upon approval by the commissioner and ratification~~  
 13 ~~by the members of the plan submitted, or upon the promulgation of a~~  
 14 ~~plan by the commissioner, each AN~~ insurer authorized to write  
 15 insurance providing the security required by section 3101(1) in  
 16 this state **6 MONTHS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT**  
 17 **THAT ADDED SECTION 3107C**, as provided in this section, is bound by  
 18 and shall formally subscribe to and participate in the plan  
 19 ~~approved~~ **OF OPERATION** as a condition of maintaining its authority  
 20 to transact insurance in this state.

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

25 (20) ~~(22) Premiums charged members by the association shall~~  
 26 **MUST** be recognized in the rate-making procedures for insurance  
 27 rates in the same manner that expenses and premium taxes are

1 recognized.

2 (21) THE RATE-MAKING PROCEDURES FOR INSURANCE RATES FOR AN  
3 INSURER ENGAGED IN WRITING INSURANCE COVERAGES THAT PROVIDE THE  
4 SECURITY REQUIRED BY SECTION 3101(1) OR 3103(1) IN THIS STATE THAT  
5 DID NOT WRITE THOSE COVERAGES BEFORE 6 MONTHS AFTER THE EFFECTIVE  
6 DATE OF THE AMENDATORY ACT THAT ADDED SECTION 3107C MUST RECOGNIZE  
7 A PORTION OF THE EXPECTED LOSSES AND EXPENSES OF THE ASSOCIATION  
8 THAT THE ASSOCIATION WILL LIKELY INCUR DURING THE APPLICABLE  
9 PERIOD, ADJUSTED FOR ANY EXCESSES OR DEFICIENCIES FROM ANY PREVIOUS  
10 PERIODS IN THE MANNER PROVIDED IN SUBSECTION (7) (D). THE PORTION TO  
11 BE RECOGNIZED IN RATES FOR AN INSURER UNDER THIS SUBSECTION MUST BE  
12 DETERMINED BY MULTIPLYING THE INSURER'S TOTAL WRITTEN CAR YEARS OF  
13 INSURANCE PROVIDING THE SECURITY REQUIRED BY SECTION 3101(1) OR  
14 3103(1), OR BOTH, BY THE AVERAGE PREMIUM PER CAR DETERMINED UNDER  
15 SUBSECTION (7) (D). AN INSURER DESCRIBED IN THIS SUBSECTION SHALL  
16 PAY TO THE ASSOCIATION ALL MONEY RECEIVED FROM ITS INSUREDS UNDER  
17 THIS SUBSECTION.

18 (22) ~~(23)~~The ~~commissioner~~DIRECTOR or an authorized  
19 representative of the ~~commissioner~~DIRECTOR may visit the  
20 association at any time and examine any and all OF the  
21 association's affairs. BEGINNING JULY 1, 2019, AND EVERY THIRD YEAR  
22 AFTER 2019, THE DIRECTOR SHALL ENGAGE 1 OR MORE INDEPENDENT  
23 ACTUARIES TO EXAMINE THE AFFAIRS AND RECORDS OF THE ASSOCIATION FOR  
24 THE PREVIOUS 3 YEARS. THE ACTUARIAL EXAMINATION MUST BE CONDUCTED  
25 USING SOUND ACTUARIAL PRINCIPLES CONSISTENT WITH THE APPLICABLE  
26 STATEMENTS OF PRINCIPLES AND THE CODE OF PROFESSIONAL CONDUCT  
27 ADOPTED BY THE CASUALTY ACTUARIAL SOCIETY. BY SEPTEMBER 1, 2019 AND

1 BY SEPTEMBER 1 OF EVERY THIRD YEAR AFTER 2019, THE DIRECTOR SHALL  
2 PROVIDE A REPORT TO THE LEGISLATURE ON THE RESULTS OF THE AUDIT  
3 CONDUCTED UNDER THIS SUBSECTION.

4 (23) IF THE ACTUARIAL EXAMINATION UNDER SUBSECTION (22) SHOWS  
5 THAT THE ASSETS OF THE ASSOCIATION EXCEED 120% OF ITS LIABILITIES,  
6 INCLUDING INCURRED BUT NOT REPORTED LIABILITIES, AND IF THE REBATE  
7 WILL NOT THREATEN THE ASSOCIATION'S ONGOING ABILITY TO PROVIDE  
8 REIMBURSEMENTS FOR PERSONAL PROTECTION INSURANCE BENEFITS BASED ON  
9 SOUND ACTUARIAL PRINCIPLES CONSISTENT WITH THE APPLICABLE  
10 STATEMENTS OF PRINCIPLES AND THE CODE OF PROFESSIONAL CONDUCT  
11 ADOPTED BY THE CASUALTY ACTUARIAL SOCIETY, THE DIRECTOR SHALL ORDER  
12 THE ASSOCIATION TO REBATE AN AMOUNT EQUAL TO THE DIFFERENCE BETWEEN  
13 THE TOTAL EXCESS AND 120% OF THE LIABILITIES OF THE ASSOCIATION,  
14 INCLUDING INCURRED BUT NOT REPORTED LIABILITIES, UNDER SUBSECTION  
15 (10) (D) AND ORDER THE MEMBERS OF THE ASSOCIATION TO DISTRIBUTE THE  
16 REBATES UNDER SUBSECTION (25).

17 (24) WITHIN 30 DAYS AFTER RECEIVING AN ORDER FROM THE DIRECTOR  
18 UNDER SUBSECTION (23), THE ASSOCIATION MAY REQUEST A HEARING TO  
19 REVIEW THE ORDER BY FILING A WRITTEN REQUEST WITH THE DIRECTOR. THE  
20 DEPARTMENT SHALL CONDUCT THE REVIEW AS A CONTESTED CASE UNDER THE  
21 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO  
22 24.328.

23 (25) A MEMBER OF THE ASSOCIATION SHALL DISTRIBUTE ANY REBATE  
24 IT RECEIVES UNDER SUBSECTION (10) (D) TO THE PERSONS THAT IT INSURES  
25 UNDER POLICIES THAT PROVIDE THE SECURITY REQUIRED UNDER SECTION  
26 3101(1) OR 3103(1), OR BOTH, AND THAT ARE SUBJECT TO A PREMIUM  
27 UNDER THIS SECTION ON A UNIFORM BASIS PER CAR AND HISTORIC VEHICLE

1 IN A MANNER AND ON THE DATE OR DATES PROVIDED BY THE DIRECTOR IN  
2 ACCORDANCE WITH AN ORDER ISSUED BY THE DIRECTOR. A REBATE  
3 ATTRIBUTABLE TO A HISTORIC VEHICLE MUST BE EQUAL TO 20% OF THE  
4 REBATE FOR A CAR THAT IS NOT A HISTORIC VEHICLE.

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

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

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

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

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

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

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

26 (G) A STATEMENT OF THE ASSUMPTIONS, METHODOLOGY, AND DATA USED  
27 TO MAKE REVENUE PROJECTIONS. AS USED IN THIS SUBDIVISION, "REVENUE"

1 MEANS RETURN ON INVESTMENTS.

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

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

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

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

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

17 (M) A STATEMENT EXPLAINING ANY QUALIFICATIONS IDENTIFIED BY  
18 THE INDEPENDENT AUDITORS IN THE MOST RECENT AUDIT REPORT PREPARED  
19 UNDER SUBSECTION (22).

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

22 (O) FOR EACH OF THE PRECEDING 10 YEARS, AN INJURY TYPE  
23 SUMMARY, CATEGORIZING THE INJURIES SUFFERED BY CLAIMANTS THE  
24 PAYMENT OF WHOSE CLAIMS ARE BEING REIMBURSED BY THE ASSOCIATION, BY  
25 BRAIN INJURIES, INJURIES RESULTING IN QUADRIPLEGIA, INJURIES  
26 RESULTING IN PARAPLEGIA, BURN INJURIES, AND OTHER INJURIES.

27 (P) A SUMMARY OF INVESTMENT RETURNS OVER THE PRECEDING 10



1 YEARS SHOWING THE INVESTMENT BALANCE, THE INVESTMENT GAIN, AND THE  
2 PERCENTAGE RETURN ON THE INVESTMENT BALANCE.

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

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

8 (27) BY SEPTEMBER 1 OF EACH YEAR, THE ASSOCIATION SHALL  
9 PREPARE AND PROVIDE TO THE COMMITTEES OF THE SENATE AND HOUSE OF  
10 REPRESENTATIVES WITH JURISDICTION OVER INSURANCE MATTERS AN ANNUAL  
11 REPORT OF THE ASSOCIATION. THE REPORT MUST CONTAIN ALL OF THE  
12 FOLLOWING:

13 (A) AN EXECUTIVE SUMMARY.

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

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

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

22 (E) THE ANNUAL CONSUMER STATEMENT PREPARED UNDER SUBSECTION  
23 (26).

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

26 (28) ~~(24)~~—The association does not have liability for losses  
27 occurring before July 1, 1978. THE ASSOCIATION DOES NOT HAVE

1 LIABILITY FOR AN ULTIMATE LOSS UNDER PERSONAL PROTECTION INSURANCE  
2 COVERAGE FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED  
3 AFTER \_\_\_\_\_.

4 (29) ~~(25)~~ As used in this section:

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

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

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

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

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

21 (E) ~~(b)~~ "Motor vehicle accident policy" means a policy  
22 providing the coverages required under section 3101(1).

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

27 Sec. 3107. (1) ~~Except as provided in subsection (2),~~ **SUBJECT**

1 TO THE EXCEPTIONS AND LIMITATIONS IN THIS CHAPTER, personal  
2 protection insurance benefits are payable for the following:

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

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

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

14 (b) Work loss consisting of loss of income from work an  
15 injured person would have performed during the first 3 years after  
16 the date of the accident if he or she had not been injured. Work  
17 loss does not include any loss after the date on which the injured  
18 person dies. Because the benefits received from personal protection  
19 insurance for loss of income are not taxable income, the benefits  
20 payable for ~~such~~ **THE** loss of income ~~shall~~ **MUST** be reduced 15%  
21 unless the claimant presents to the insurer in support of his or  
22 her claim reasonable proof of a lower value of the income tax  
23 advantage in his or her case, in which case the lower value ~~shall~~  
24 ~~apply.~~ **MUST BE APPLIED.** For the period beginning October 1, 2012  
25 through September 30, 2013, the benefits payable for work loss  
26 sustained in a single 30-day period and the income earned by an  
27 injured person for work during the same period together ~~shall~~ **MUST**

1 not exceed \$5,189.00, which maximum ~~shall apply~~ **MUST BE APPLIED** pro  
2 rata to any lesser period of work loss. Beginning October 1, 2013,  
3 the maximum ~~shall~~ **MUST** be adjusted annually to reflect changes in  
4 the cost of living under rules prescribed by the ~~commissioner~~  
5 **DIRECTOR**, but any change in the maximum ~~shall apply~~ **MUST BE APPLIED**  
6 only to benefits arising out of accidents occurring ~~subsequent to~~  
7 **AFTER** the date of change in the maximum.

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

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

16 (a) A person who is 60 years of age or older and in the event  
17 of an accidental bodily injury would not be eligible to receive  
18 work loss benefits under subsection (1)(b) may waive coverage for  
19 work loss benefits by signing a waiver on a form provided by the  
20 insurer. An insurer shall offer a reduced premium rate to a person  
21 who waives coverage under this ~~subsection~~ **SUBDIVISION** for work loss  
22 benefits. Waiver of coverage for work loss benefits applies only to  
23 work loss benefits payable to the person or persons who have signed  
24 the waiver form.

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

1           SEC. 3107C. (1) EXCEPT AS PROVIDED IN SECTION 3107D, AND  
2 SUBJECT TO SUBSECTIONS (5) AND (8), FOR AN INSURANCE POLICY THAT  
3 PROVIDES THE SECURITY REQUIRED UNDER SECTION 3101(1) AND IS ISSUED  
4 OR RENEWED AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT  
5 ADDED THIS SECTION, THE PERSON NAMED OR TO BE NAMED IN THE POLICY  
6 SHALL, IN A WAY REQUIRED UNDER SECTION 3107E AND ON A FORM APPROVED  
7 BY THE DIRECTOR, SELECT 1 OF THE FOLLOWING COVERAGE LEVELS FOR  
8 PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1) (A) :

9           (A) A LIMIT PER PERSON PER LOSS OCCURRENCE, CONSISTING OF BOTH  
10 OF THE FOLLOWING:

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

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

17           (B) A LIMIT OF \$250,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE  
18 FOR ANY PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION  
19 3107(1) (A) .

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

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

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

27           (C) ALLOW THE INSURED PERSON TO MARK THE FORM TO MAKE THE

1 SELECTION OF COVERAGE LEVEL UNDER SUBSECTION (1) .

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

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

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

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

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

24 (7) AN INSURER SHALL OFFER, FOR A POLICY THAT PROVIDES THE  
25 SECURITY REQUIRED UNDER SECTION 3101(1), A RIDER THAT WILL PROVIDE  
26 COVERAGE FOR ATTENDANT CARE IN EXCESS OF THE LIMITS APPLICABLE TO  
27 THE POLICY UNDER SUBSECTION (1) .

1           (8) AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED  
2 THIS SECTION, AN INSURER MAY OFFER AN INSURANCE POLICY THAT  
3 PROVIDES THE SECURITY REQUIRED UNDER SECTION 3101(1) THAT PROVIDES  
4 COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION  
5 3107(1) (A) WITHOUT ANY LIMIT UNDER SUBSECTION (1) .

6           SEC. 3107D. (1) FOR AN INSURANCE POLICY THAT PROVIDES THE  
7 SECURITY REQUIRED UNDER SECTION 3101(1) AND IS ISSUED OR RENEWED  
8 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS  
9 SECTION, THE PERSON NAMED OR TO BE NAMED IN THE POLICY WHO IS A  
10 QUALIFIED PERSON MAY, IN A WAY REQUIRED UNDER SECTION 3107E AND ON  
11 A FORM APPROVED BY THE DIRECTOR, ELECT TO NOT MAINTAIN COVERAGE FOR  
12 PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE UNDER SECTION  
13 3107(1) (A) . THE PERSON NAMED IN THE POLICY SHALL, WHEN REQUESTING  
14 ISSUANCE OR RENEWAL OF THE POLICY, PROVIDE TO THE INSURER A  
15 DOCUMENT FROM THE PERSON THAT PROVIDES THE QUALIFIED HEALTH  
16 COVERAGE STATING THAT THE PERSON NAMED IN THE POLICY HAS QUALIFIED  
17 HEALTH COVERAGE .

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

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

22           (B) DISCLOSE IN A CONSPICUOUS MANNER THAT A QUALIFIED PERSON  
23 IS NOT OBLIGATED TO BUT MAY PURCHASE COVERAGE FOR PERSONAL  
24 PROTECTION INSURANCE COVERAGE BENEFITS PAYABLE UNDER SECTION  
25 3107(1) (A) .

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

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

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

8 (F) PROVIDE A WAY FOR THE PERSON NAMED OR TO BE NAMED IN THE  
9 POLICY TO MARK THE FORM TO ACKNOWLEDGE THAT HE OR SHE HAS READ THE  
10 FORM AND UNDERSTANDS IT AND THAT HE OR SHE UNDERSTANDS THE OPTIONS  
11 AVAILABLE TO HIM OR HER.

12 (G) IF THE PERSON NAMED OR TO BE NAMED IN THE POLICY IS A  
13 QUALIFIED PERSON, PROVIDE THE PERSON A WAY TO MARK THE FORM TO  
14 ELECT NOT TO MAINTAIN THE COVERAGE.

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

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

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



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

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

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

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

22           (C) IF THE PERSON NAMED IN THE INSURANCE POLICY DOES NOT  
23 NOTIFY THE INSURER WITHIN THE 14-DAY PERIOD AND A PERSON TO WHOM  
24 THE ELECTION UNDER THIS SECTION APPLIES AS DESCRIBED IN SUBSECTION  
25 (5) SUFFERS ACCIDENTAL BODILY INJURY ARISING FROM A MOTOR VEHICLE  
26 ACCIDENT, UNLESS THE INJURED PERSON IS ENTITLED TO COVERAGE UNDER  
27 SOME OTHER POLICY, THE INJURED PERSON IS NOT ENTITLED TO BE PAID

1 PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1) (A) FOR  
2 THE INJURY.

3 (7) AS USED IN THIS SECTION:

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

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

7 (ii) COVERAGE UNDER THE FEDERAL MEDICARE PROGRAM ESTABLISHED  
8 UNDER SUBCHAPTER XVIII OF THE SOCIAL SECURITY ACT, 42 USC 1395 TO  
9 1395III.

10 (iii) MEDICAID COVERAGE UNDER A PROGRAM FOR MEDICAL ASSISTANCE  
11 ESTABLISHED UNDER SUBCHAPTER XIX OF THE SOCIAL SECURITY ACT, 42 USC  
12 1396 TO 1396W-5.

13 (B) "QUALIFIED PERSON" MEANS A PERSON WHO HAS QUALIFIED HEALTH  
14 COVERAGE.

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

18 (A) PERSONAL DELIVERY.

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

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

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

23 (A) MARKING AND SIGNING A PAPER FORM.

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

26 (C) ELECTRONICALLY MARKING THE FORM AND PROVIDING AN  
27 ELECTRONIC SIGNATURE AS PROVIDED IN THE UNIFORM ELECTRONIC

1 **TRANSACTIONS ACT, 2000 PA 305, MCL 450.831 TO 450.849.**

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

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

1 person to receive the benefits or the proper apportionment among  
2 the persons entitled thereto, **TO THE BENEFITS**, the insurer, the  
3 claimant, or any other interested person may apply to the circuit  
4 court for an appropriate order. The court may designate the payees  
5 and make an equitable apportionment, taking into account the  
6 relationship of the payees to the injured person and other factors  
7 as the court considers appropriate. In the absence of a court order  
8 directing otherwise the insurer may pay:

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

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

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

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

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

25 (c) The person was not a resident of this state. ~~was an~~  
26 ~~occupant of a motor vehicle or motorcycle not registered in this~~  
27 ~~state, and the motor vehicle or motorcycle was not insured by an~~

1 ~~insurer that has filed a certification in compliance with section~~  
2 ~~3163.~~

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

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

9 Sec. 3114. (1) Except as provided in subsections (2), (3), and  
10 (5), a personal protection insurance policy described in section  
11 3101(1) applies to accidental bodily injury to the person named in  
12 the policy, the person's spouse, and a relative of either domiciled  
13 in the same household, if the injury arises from a motor vehicle  
14 accident. A personal injury insurance policy described in section  
15 3103(2) applies to accidental bodily injury to the person named in  
16 the policy, the person's spouse, and a relative of either domiciled  
17 in the same household, if the injury arises from a motorcycle  
18 accident. If personal protection insurance benefits or personal  
19 injury benefits described in section 3103(2) are payable to or for  
20 the benefit of an injured person under his or her own policy and  
21 would also be payable under the policy of his or her spouse,  
22 relative, or relative's spouse, the injured person's insurer shall  
23 pay all of the benefits and is not entitled to recoupment from the  
24 other insurer.

25 (2) A person ~~suffering~~ **WHO SUFFERS** accidental bodily injury  
26 while an operator or a passenger of a motor vehicle operated in the  
27 business of transporting passengers shall receive the personal

1 protection insurance benefits to which the person is entitled from  
2 the insurer of the motor vehicle. This subsection does not apply to  
3 a passenger in any of the following, unless the passenger is not  
4 entitled to personal protection insurance benefits under any other  
5 policy:

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

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

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

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

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

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

18 (g) A transportation network company vehicle.

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

22 (3) An employee, his or her spouse, or a relative of either  
23 domiciled in the same household, who suffers accidental bodily  
24 injury while an occupant of a motor vehicle owned or registered by  
25 the employer, shall receive personal protection insurance benefits  
26 to which the employee is entitled from the insurer of the furnished  
27 vehicle. **THIS SUBSECTION DOES NOT APPLY TO A MOTOR VEHICLE INSURED**

1 UNDER A POLICY FOR WHICH THE PERSON NAMED IN THE POLICY HAS ELECTED  
2 TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION INSURANCE BENEFITS  
3 UNDER SECTION 3107D.

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

11 ~~—— (a) The insurer of the owner or registrant of the vehicle~~  
12 ~~occupied.~~

13 ~~—— (b) The insurer of the operator of the vehicle occupied.~~ UNDER  
14 THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO 3175.

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

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

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

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

27 (d) The motor vehicle insurer of the owner or registrant of

1 the motorcycle involved in the accident.

2 (6) IF AN APPLICABLE INSURANCE POLICY IN AN ORDER OF PRIORITY  
3 UNDER SUBSECTION (5) IS A POLICY FOR WHICH THE PERSON NAMED IN THE  
4 POLICY HAS ELECTED TO NOT MAINTAIN COVERAGE FOR PERSONAL PROTECTION  
5 INSURANCE BENEFITS UNDER SECTION 3107D, THE INJURED PERSON SHALL  
6 CLAIM BENEFITS ONLY UNDER OTHER POLICIES, SUBJECT TO SUBSECTION  
7 (7), IN THE SAME ORDER OF PRIORITY FOR WHICH NO SUCH ELECTION HAS  
8 BEEN MADE. IF THERE ARE NO OTHER POLICIES FOR WHICH NO SUCH  
9 ELECTION HAS BEEN MADE, THE INJURED PERSON SHALL CLAIM BENEFITS  
10 UNDER THE NEXT ORDER OF PRIORITY OR, IF THERE IS NOT A NEXT ORDER  
11 OF PRIORITY, UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO  
12 3175.

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

18 (8) ~~(6) If~~ SUBJECT TO SUBSECTIONS (6) AND (7), IF 2 or more  
19 insurers are in the same order of priority to provide personal  
20 protection insurance benefits under subsection (5), an insurer  
21 ~~paying~~ THAT PAYS benefits due is entitled to partial recoupment  
22 from the other insurers in the same order of priority, and a  
23 reasonable amount of partial recoupment of the expense of  
24 processing the claim, in order to accomplish equitable distribution  
25 of the loss among all of the insurers.

26 (9) ~~(7)~~ As used in this section:

27 (a) "Personal vehicle", ~~"prearranged ride", and~~



1 "transportation network company digital network", **AND**  
 2 **"TRANSPORTATION NETWORK COMPANY PREARRANGED RIDE"** mean those terms  
 3 as defined in section 2 of the limousine, taxicab, and  
 4 transportation network company act, **2016 PA 345, MCL 257.2102.**

5 (b) "Transportation network company vehicle" means a personal  
 6 vehicle while the driver is logged on to the transportation network  
 7 company digital network or while the driver is engaged in a  
 8 **TRANSPORTATION NETWORK COMPANY** prearranged ride.

9 Sec. 3115. ~~(1) Except as provided in subsection (1) of section~~  
 10 ~~3114, 3114 (1), a person suffering~~ **WHO SUFFERS** accidental bodily  
 11 injury while not an occupant of a motor vehicle shall claim  
 12 personal protection insurance benefits ~~from insurers in the~~  
 13 ~~following order of priority:~~

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

16 ~~—— (b) Insurers of operators of motor vehicles involved in the~~  
 17 ~~accident.~~ **UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO**  
 18 **3175.**

19 ~~—— (2) When 2 or more insurers are in the same order of priority~~  
 20 ~~to provide personal protection insurance benefits an insurer paying~~  
 21 ~~benefits due is entitled to partial recoupment from the other~~  
 22 ~~insurers in the same order of priority, together with a reasonable~~  
 23 ~~amount of partial recoupment of the expense of processing the~~  
 24 ~~claim, in order to accomplish equitable distribution of the loss~~  
 25 ~~among such insurers.~~

26 ~~—— (3) A limit upon the amount of personal protection insurance~~  
 27 ~~benefits available because of accidental bodily injury to 1 person~~

1 ~~arising from 1 motor vehicle accident shall be determined without~~  
2 ~~regard to the number of policies applicable to the accident.~~

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

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

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

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

17 (ii) There is a factual dispute concerning the nature and  
18 extent of the person's injuries, but the dispute is not material to  
19 the determination whether the person has suffered a serious  
20 impairment of body function or permanent serious disfigurement.

21 However, for a closed-head injury, a question of fact for the jury  
22 is created if a licensed allopathic or osteopathic physician who  
23 regularly diagnoses or treats closed-head injuries testifies under  
24 oath that there may be a serious neurological injury.

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

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

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

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

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

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

27 (d) Damages for economic loss by a nonresident. ~~in excess of~~

1 ~~the personal protection insurance benefits provided under section~~  
2 ~~3163(4). Damages under this subdivision are not recoverable to the~~  
3 ~~extent that benefits covering the same loss are available from~~  
4 ~~other sources, regardless of the nature or number of benefit~~  
5 ~~sources available and regardless of the nature or form of the~~  
6 ~~benefits.~~ **HOWEVER, TO RECOVER UNDER THIS SUBDIVISION, THE**  
7 **NONRESIDENT MUST HAVE SUFFERED DEATH, SERIOUS IMPAIRMENT OF BODY**  
8 **FUNCTION, OR PERMANENT SERIOUS DISFIGUREMENT.**

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

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

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

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

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

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

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

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

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

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

24 (3) **FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION**  
25 **3107(1) (A), PAYMENT FOR A PRODUCT, SERVICE, OR ACCOMMODATIONS IS**  
26 **NOT OVERDUE IF A BILL FOR THE PRODUCT, SERVICE, OR ACCOMMODATIONS**  
27 **IS NOT PROVIDED TO THE INSURER WITHIN 90 DAYS AFTER THE PRODUCT,**

1 SERVICE, OR ACCOMMODATIONS IS PROVIDED.

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

4 Sec. 3148. (1) ~~An~~**SUBJECT TO SUBSECTIONS (3), (6), AND (7), AN**  
5 attorney ~~is entitled to~~**MAY BE AWARDED** a reasonable fee for  
6 advising and representing a claimant in an action for personal or  
7 property protection insurance benefits ~~which~~**THAT** are overdue. The  
8 attorney's fee ~~shall be~~**IS** a charge against the insurer in addition  
9 to the benefits recovered, if the court finds that the insurer  
10 unreasonably refused to pay the claim or unreasonably delayed in  
11 making proper payment. **AN ATTORNEY ADVISING OR REPRESENTING AN**  
12 **INJURED PERSON CONCERNING A CLAIM FOR PAYMENT OF PERSONAL**  
13 **PROTECTION INSURANCE BENEFITS FROM AN INSURER SHALL NOT CLAIM,**  
14 **FILE, OR SERVE A LIEN FOR PAYMENT OF A FEE OR FEES UNTIL ALL OF THE**  
15 **FOLLOWING APPLY:**

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

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

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

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

25 (2) IF AN ATTORNEY CLAIMS, FILES, SERVES, OR ENFORCES A LIEN  
26 IN A MANNER PROHIBITED BY SUBSECTION (1), AN INSURER OR OTHER  
27 PERSON AGGRIEVED BY THE LIEN IS ENTITLED TO COURT COSTS AND

1 REASONABLE ATTORNEY FEES RELATED TO OPPOSITION OF THE IMPOSITION OF  
2 THE LIEN.

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

8 (4) ~~(2) An~~ A COURT MAY AWARD AN insurer may be allowed by a  
9 court an award of a reasonable sum AMOUNT against a claimant as an  
10 attorney's ATTORNEY fee for the insurer's attorney in defense  
11 DEFENDING against a ANY OF THE FOLLOWING:

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

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

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

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

1 paid.

2 (6) FOR A DISPUTE OVER PAYMENT FOR ALLOWABLE EXPENSES UNDER  
3 SECTION 3107(1)(A) FOR ATTENDANT CARE OR NURSING SERVICES, ATTORNEY  
4 FEES MAY BE AWARDED IN RELATION TO EXPENSES RECOVERED FOR THE 12  
5 MONTHS PRECEDING THE DATE THE INSURER IS NOTIFIED OF THE DISPUTE.  
6 ATTORNEY FEES MUST NOT BE AWARDED IN RELATION TO EXPENSES PAID  
7 AFTER THE DATE THE INSURER IS NOTIFIED OF THE DISPUTE, INCLUDING  
8 ANY FUTURE PAYMENTS ORDERED AFTER THE JUDGMENT IS ENTERED.

9 (7) A COURT SHALL NOT AWARD A FEE TO AN ATTORNEY FOR ADVISING  
10 OR REPRESENTING A CLAIMANT IN AN ACTION FOR PERSONAL OR PROPERTY  
11 PROTECTION INSURANCE BENEFITS FOR A TREATMENT, PRODUCT, SERVICE,  
12 REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION PROVIDED TO  
13 THE CLAIMANT IF THE ATTORNEY OR A RELATED PERSON OF THE ATTORNEY  
14 HAS, OR HAD AT THE TIME THE TREATMENT, PRODUCT, SERVICE,  
15 REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION WAS  
16 PROVIDED, A DIRECT OR INDIRECT FINANCIAL INTEREST IN THE PERSON  
17 THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE, REHABILITATIVE  
18 OCCUPATIONAL TRAINING, OR ACCOMMODATION. FOR PURPOSES OF THIS  
19 SUBSECTION, A DIRECT OR INDIRECT FINANCIAL INTEREST EXISTS IF THE  
20 PERSON THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE,  
21 REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION MAKES A  
22 DIRECT OR INDIRECT PAYMENT OR GRANTS A FINANCIAL INCENTIVE TO THE  
23 ATTORNEY OR A RELATED PERSON OF THE ATTORNEY RELATING TO THE  
24 TREATMENT, PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING,  
25 OR ACCOMMODATION WITHIN 24 MONTHS BEFORE OR AFTER THE TREATMENT,  
26 PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR  
27 ACCOMMODATION IS PROVIDED.



1           Sec. 3157. (1) ~~A~~ **SUBJECT TO SUBSECTIONS (2), (3), AND (5), A**  
2 **PERSON, INCLUDING, BUT NOT LIMITED TO, A** physician, hospital,  
3 clinic, or other ~~person or institution,~~ **THAT** lawfully ~~rendering~~  
4 **RENDERS** treatment, **PRODUCTS, SERVICES, OR ACCOMMODATIONS** to an  
5 injured person for an accidental bodily injury covered by personal  
6 protection insurance, ~~and a person or institution providing~~ **OR THAT**  
7 **PROVIDES** rehabilitative occupational training **TO THE INJURED PERSON**  
8 following the injury, may charge a reasonable amount for the  
9 **TREATMENT, TRAINING,** products, services, and accommodations.  
10 ~~rendered.~~ The charge ~~shall~~ **MUST** not exceed the amount the person ~~or~~  
11 ~~institution~~ customarily charges for like **TREATMENT, TRAINING,**  
12 products, services, and accommodations in cases ~~not involving~~ **THAT**  
13 **DO NOT INVOLVE PERSONAL PROTECTION** insurance.

14           (2) **A PERSON THAT RENDERS A TREATMENT, TRAINING, PRODUCT,**  
15 **SERVICE, OR ACCOMMODATION TO AN INJURED PERSON FOR AN ACCIDENTAL**  
16 **BODILY INJURY IS NOT ELIGIBLE FOR PAYMENT OR REIMBURSEMENT UNDER**  
17 **THIS CHAPTER OF MORE THAN THE AMOUNT PAYABLE FOR THE TREATMENT,**  
18 **TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION UNDER R 418.10101 TO R**  
19 **418.101503 OF THE MICHIGAN ADMINISTRATIVE CODE OR SCHEDULES OF**  
20 **MAXIMUM FEES FOR WORKER'S COMPENSATION DEVELOPED UNDER THOSE RULES,**  
21 **IN EFFECT ON THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED**  
22 **THIS SUBSECTION. THE DIRECTOR SHALL REVIEW ANY CHANGES TO R**  
23 **418.10101 TO R 418.101503 OF THE MICHIGAN ADMINISTRATIVE CODE OR**  
24 **SCHEDULES OF MAXIMUM FEES FOR WORKER'S COMPENSATION DEVELOPED UNDER**  
25 **THOSE RULES. IF THE DIRECTOR DETERMINES THAT THE CHANGES ARE**  
26 **REASONABLE AND APPROPRIATE FOR PURPOSES OF ASSURING AFFORDABLE**  
27 **AUTOMOBILE INSURANCE IN THIS STATE, THE CHANGES APPLY FOR PURPOSES**

1 OF THIS SUBSECTION AND THE DIRECTOR SHALL ISSUE AN ORDER TO THAT  
2 EFFECT.

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

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

10 (B) AN INDIVIDUAL WHO IS DOMICILED IN THE HOUSEHOLD OF THE  
11 INJURED PERSON.

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

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

16 (5) IF R 418.10101 TO R 418.101503 OF THE MICHIGAN  
17 ADMINISTRATIVE CODE OR SCHEDULES OF MAXIMUM FEES FOR WORKER'S  
18 COMPENSATION DEVELOPED UNDER THOSE RULES, IN EFFECT ON THE  
19 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION,  
20 INCLUDING ANY CHANGES APPLICABLE UNDER SUBSECTION (2), DO NOT  
21 PROVIDE AN AMOUNT PAYABLE FOR TREATMENT, TRAINING, PRODUCT,  
22 SERVICE, OR ACCOMMODATION RENDERED TO AN INJURED PERSON FOR  
23 ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE  
24 OR REHABILITATIVE OCCUPATIONAL TRAINING TO THE INJURED PERSON  
25 FOLLOWING THE INJURY, THE PERSON THAT RENDERS THE TREATMENT,  
26 PRODUCT, SERVICE, OR ACCOMMODATION IS NOT ELIGIBLE FOR PAYMENT OR  
27 REIMBURSEMENT UNDER THIS CHAPTER OF MORE THAN THE AVERAGE AMOUNT

1 ACCEPTED BY THE PERSON AS PAYMENT OR REIMBURSEMENT IN FULL FOR THE  
2 TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION DURING THE  
3 PRECEDING CALENDAR YEAR IN CASES THAT DO NOT INVOLVE PERSONAL  
4 PROTECTION INSURANCE.

5 (6) SUBSECTIONS (2) TO (5) APPLY TO A TREATMENT, TRAINING,  
6 PRODUCT, SERVICE, OR ACCOMMODATION RENDERED AFTER THE EFFECTIVE  
7 DATE OF THE AMENDATORY ACT THAT ADDED THIS SUBSECTION, REGARDLESS  
8 OF WHEN THE ACCIDENTAL BODILY INJURY OCCURRED. SUBSECTIONS (2) TO  
9 (5) APPLY REGARDLESS OF WHETHER INDEMNIFICATION FOR THE CHARGE IS  
10 BEING MADE BY THE CATASTROPHIC CLAIMS ASSOCIATION UNDER SECTION  
11 3104.

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

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

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

23 (2) A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR  
24 INSTITUTION THAT KNOWINGLY SUBMITS FALSE OR MISLEADING RECORDS OR  
25 OTHER INFORMATION TO AN INSURER, THE ASSOCIATION CREATED UNDER  
26 SECTION 3104, OR THE DEPARTMENT UNDER THIS SECTION IS GUILTY OF A  
27 MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 1 YEAR OR

1 A FINE OF NOT MORE THAN \$1,000.00, OR BOTH.

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

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

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

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

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

19 (iii) APPEALING DETERMINATIONS.

20 (4) IF A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON PROVIDES  
21 TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS UNDER THIS CHAPTER  
22 THAT ARE NOT USUALLY ASSOCIATED WITH, ARE LONGER IN DURATION THAN,  
23 ARE MORE FREQUENT THAN, OR EXTEND OVER A GREATER NUMBER OF DAYS  
24 THAN THE TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS USUALLY  
25 REQUIRE FOR THE DIAGNOSIS OR CONDITION FOR WHICH THE PATIENT IS  
26 BEING TREATED, THE INSURER OR THE ASSOCIATION CREATED UNDER SECTION  
27 3104 MAY REQUIRE THE PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON

1 TO EXPLAIN THE NECESSITY OR INDICATION FOR THE TREATMENT, PRODUCTS,  
2 SERVICES, OR ACCOMMODATIONS IN WRITING UNDER THE PROCEDURES  
3 PROVIDED UNDER SUBSECTION (3).

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

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

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

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

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

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

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

24           ~~— (4) If an insurer of an out of state resident is required to~~  
25 ~~provide benefits under subsections (1) to (3) to that out of state~~  
26 ~~resident for accidental bodily injury for an accident in which the~~  
27 ~~out of state resident was not an occupant of a motor vehicle~~

1 ~~registered in this state, the insurer is only liable for the amount~~  
 2 ~~of ultimate loss sustained up to \$500,000.00. Benefits under this~~  
 3 ~~subsection are not recoverable to the extent that benefits covering~~  
 4 ~~the same loss are available from other sources, regardless of the~~  
 5 ~~nature or number of benefit sources available and regardless of the~~  
 6 ~~nature or form of the benefits.~~

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

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

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

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

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

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

1 financial responsibility.

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

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

20 (5) ~~(2)~~—Except as otherwise provided in this subsection,  
21 personal protection insurance benefits, including benefits arising  
22 from accidents occurring before March 29, 1985, payable through the  
23 assigned claims plan ~~shall~~ **MUST** be reduced to the extent that  
24 benefits covering the same loss are available from other sources,  
25 regardless of the nature or number of benefit sources available and  
26 regardless of the nature or form of the benefits, to a person  
27 claiming personal protection insurance benefits through the



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

16 (6) ~~(3)~~ If the obligation to provide personal protection  
17 insurance benefits cannot be ascertained because of a dispute  
18 between 2 or more automobile insurers concerning their obligation  
19 to provide coverage or the equitable distribution of the loss, and  
20 if a method of voluntary payment of benefits cannot be agreed upon  
21 among or between the disputing insurers, all of the following  
22 apply:

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

27 (b) ~~The claim shall be assigned by the Michigan automobile~~

1 insurance placement facility **SHALL ASSIGN THE CLAIM** to an insurer  
2 and the insurer shall immediately provide personal protection  
3 insurance benefits to the claimant or claimants entitled to  
4 benefits.

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

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

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

19 (f) After hearing the action, the circuit court shall  
20 determine the insurer or insurers, if any, obligated to provide the  
21 applicable personal protection insurance benefits and the equitable  
22 distribution, if any, among the insurers obligated, and shall order  
23 reimbursement to the Michigan automobile insurance placement  
24 facility from the insurer or insurers to the extent of the  
25 responsibility as determined by the court. The reimbursement  
26 ordered under this subdivision ~~shall~~ **MUST** include all benefits and  
27 costs paid or incurred by the Michigan automobile insurance

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

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

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

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

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

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

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

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

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

27 (ii) THE EXAMINATION WAS CONDUCTED IN A LOCATION REASONABLY

1 CONVENIENT FOR THE PERSON.

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

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

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

27 (5) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY

1 CONTRACT WITH OTHER PERSONS FOR ALL OR A PORTION OF THE GOODS AND  
2 SERVICES NECESSARY FOR OPERATING AND MAINTAINING THE ASSIGNED  
3 CLAIMS PLAN.

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

20 Sec. 3175. (1) The assignment of claims under the assigned  
21 claims plan ~~shall~~ **MUST** be made according to procedures established  
22 in the assigned claims plan that assure fair allocation of the  
23 burden of assigned claims among insurers doing business in this  
24 state on a basis reasonably related to the volume of automobile  
25 liability and personal protection insurance they write on motor  
26 vehicles or the number of self-insured motor vehicles. An insurer  
27 to whom claims have been assigned shall make prompt payment of loss

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

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

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

21 (2) ~~The~~ **AN INSURER ASSIGNED A CLAIM BY THE MICHIGAN AUTOMOBILE**  
22 **INSURANCE PLACEMENT FACILITY UNDER THE ASSIGNED CLAIMS PLAN OR A**  
23 **PERSON AUTHORIZED TO ACT ON BEHALF OF THE PLAN MAY BRING AN ACTION**  
24 **FOR REIMBURSEMENT AND INDEMNIFICATION OF THE CLAIM ON BEHALF OF THE**  
25 **MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY. THE** insurer to  
26 ~~whom claims have~~ **WHICH THE CLAIM HAS** been assigned shall preserve  
27 and enforce rights to indemnity or reimbursement against third

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

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

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

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

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

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

26 (5) The Michigan automobile insurance placement facility may  
27 enter into a written agreement with the debtor permitting the



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

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

26       (2) **THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY**  
27 **MAKE A WRITTEN AGREEMENT WITH THE OWNER OR REGISTRANT OF AN**

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

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

23 (4) EXPENSES FOR THE SUSPENSION, REVOCATION, OR REINSTATEMENT  
24 OF A MOTOR VEHICLE REGISTRATION OR LICENSE UNDER THIS SECTION ARE  
25 THE RESPONSIBILITY OF THE OWNER OR REGISTRANT OR OF HIS OR HER  
26 ESTATE. AN OWNER OR REGISTRANT WHOSE REGISTRATION OR LICENSE IS  
27 SUSPENDED UNDER THIS SECTION SHALL PAY ANY REINSTATEMENT FEE AS

1 REQUIRED UNDER SECTION 320E OF THE MICHIGAN VEHICLE CODE, 1949 PA  
2 300, MCL 257.320E.

3 CHAPTER 63

4 AUTOMOBILE INSURANCE FRAUD TASK FORCE

5 SEC. 6301. AS USED IN THIS CHAPTER:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

16 (C) INVESTIGATE CLAIMS OF AUTOMOBILE INSURANCE FRAUD.

17 (D) MAINTAIN RECORDS OF ITS INVESTIGATIONS.

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

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

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

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

27 (C) CONDUCT OUTREACH AND COORDINATION EFFORTS WITH LOCAL AND

1 STATE LAW ENFORCEMENT AGENCIES AND DEPARTMENTS AND AGENCIES OF THIS  
2 STATE TO PROMOTE INVESTIGATION AND PROSECUTION OF AUTOMOBILE  
3 INSURANCE FRAUD.

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

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

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

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

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

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

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

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

25 (A) UNTIL 5 YEARS AFTER THE EFFECTIVE DATE OF THIS SECTION,  
26 MONEY IN THE FUND MUST BE DISBURSED TO THE DEPARTMENT OF STATE  
27 POLICE, THE DEPARTMENT, THE CATASTROPHIC CLAIMS ASSOCIATION, THE

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

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

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

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

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

23 (2) THE ANNUAL REPORT TO THE LEGISLATURE REQUIRED BY THIS  
24 SECTION MUST DETAIL THE AUTOMOBILE INSURANCE FRAUD BY MEDICAL  
25 PROVIDERS, ATTORNEYS, OR OTHER PERSONS AND UNFAIR CLAIMS PRACTICES  
26 OF INSURANCE COMPANIES OCCURRING IN THIS STATE FOR THE PREVIOUS  
27 YEAR, ASSESS THE IMPACT OF THE FRAUD AND UNFAIR CLAIMS PRACTICES ON

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

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

26 Enacting section 1. Section 3112 of the insurance code of  
27 1956, 1956 PA 218, MCL 500.3112, as amended by this amendatory act,

- 1 applies to products, services, or accommodations provided after the
- 2 effective date of this amendatory act.