

SENATE BILL No. 293

March 24, 2011, Introduced by Senators HUNE and SMITH and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 2111, 3101, 3104, 3107, 3114, 3115, 3163, and 3172 (MCL 500.2111, 500.3101, 500.3104, 500.3107, 500.3114, 500.3115, 500.3163, and 500.3172), section 2111 as amended by 2002 PA 492, section 3101 as amended by 2008 PA 241, section 3104 as amended by 2002 PA 662, section 3107 as amended by 1991 PA 191, section 3114 as amended by 2002 PA 38, section 3163 as amended by 2002 PA 697, and section 3172 as amended by 1984 PA 426.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

1 requirements of this section.

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

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

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

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

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

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

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

19 (vi) Daily or weekly commuting mileage.

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

24 (viii) Amount of insurance.

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

27 (i) Earned income.

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

3 (iii) Coordination of benefits.

4 (iv) Use of a safety belt.

5 (v) **AMOUNT OF INSURANCE.**

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

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

12 (ii) Vehicle make and model.

13 (iii) Vehicle design characteristics related to vehicle
14 damageability.

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

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

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

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

25 (A) The effects of aging on driving behavior.

26 (B) The shapes, colors, and types of road signs.

27 (C) The effects of alcohol and medication on driving.

1 (D) The laws relating to the proper use of a motor vehicle.

2 (E) Accident prevention measures.

3 (F) The benefits of safety belts and child restraints.

4 (G) Major driving hazards.

5 (H) Interaction with other highway users such as

6 motorcyclists, bicyclists, and pedestrians.

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

14 (a) Substantially at-fault accidents.

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

19 However, beginning ~~90 days after the effective date of this~~
20 ~~sentence~~ **MAY 28, 1996**, an insured shall not be merit rated for a
21 civil infraction under chapter VI of the Michigan vehicle code,
22 1949 PA 300, MCL 257.601 to 257.750, for a period of time longer
23 than that which the secretary of state's office carries points for
24 that infraction on the insured's motor vehicle record.

25 (4) An insurer shall not establish or maintain rates or rating
26 classifications for automobile insurance based upon sex or marital
27 status.

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

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

15 (7) Classifications established pursuant to this section for
16 home insurance other than inland marine insurance provided by
17 policy floaters or endorsements shall be based only upon 1 or more
18 of the following factors:

19 (a) Amount and types of coverage.

20 (b) Security and safety devices, including locks, smoke
21 detectors, and similar, related devices.

22 (c) Repairable structural defects reasonably related to risk.

23 (d) Fire protection class.

24 (e) Construction of structure, based on structure size,
25 building material components, and number of units.

26 (f) Loss experience of the insured, based upon prior claims
27 attributable to factors under the control of the insured that have

1 been paid by an insurer. An insured's failure, after written notice
2 from the insurer, to correct a physical condition that presents a
3 risk of repeated loss shall be considered a factor under the
4 control of the insured for purposes of this subdivision.

5 (g) Use of smoking materials within the structure.

6 (h) Distance of the structure from a fire hydrant.

7 (i) Availability of law enforcement or crime prevention
8 services.

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

11 (9) An insurer may utilize factors in addition to those
12 specified in this section, if the commissioner finds, after a
13 hearing held pursuant to the administrative procedures act of 1969,
14 1969 PA 306, MCL 24.201 to 24.328, that the factors would encourage
15 innovation, would encourage insureds to minimize the risks of loss
16 from hazards insured against, and would be consistent with the
17 purposes of this chapter.

18 Sec. 3101. (1) The owner or registrant of a motor vehicle
19 required to be registered in this state shall maintain security for
20 payment of benefits under personal protection insurance ~~—~~**IN AN**
21 **AMOUNT NOT LESS THAN THAT REQUIRED UNDER SECTION 3107(1)(A)(i) AND**
22 property protection insurance ~~—~~and residual liability insurance **IN**
23 **AN AMOUNT NOT LESS THAN THAT REQUIRED UNDER SECTION 3009.** Security
24 shall only be required to be in effect during the period the motor
25 vehicle is driven or moved upon a highway. Notwithstanding any
26 other provision in this act, an insurer that has issued an
27 automobile insurance policy on a motor vehicle that is not driven

1 or moved upon a highway may allow the insured owner or registrant
2 of the motor vehicle to delete a portion of the coverages under the
3 policy and maintain the comprehensive coverage portion of the
4 policy in effect.

5 (2) As used in this chapter:

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

8 (b) "Highway" means that term as defined in section 20 of the
9 Michigan vehicle code, 1949 PA 300, MCL 257.20.

10 (c) "Motorcycle" means a vehicle having a saddle or seat for
11 the use of the rider, designed to travel on not more than 3 wheels
12 in contact with the ground, which is equipped with a motor that
13 exceeds 50 cubic centimeters piston displacement. The wheels on any
14 attachment to the vehicle shall not be considered as wheels in
15 contact with the ground. Motorcycle does not include a moped, as
16 defined in section 32b of the Michigan vehicle code, 1949 PA 300,
17 MCL 257.32b. Motorcycle does not include an ORV.

18 (d) "Motorcycle accident" means a loss involving the
19 ownership, operation, maintenance, or use of a motorcycle as a
20 motorcycle, but not involving the ownership, operation,
21 maintenance, or use of a motor vehicle as a motor vehicle.

22 (e) "Motor vehicle" means a vehicle, including a trailer,
23 operated or designed for operation upon a public highway by power
24 other than muscular power which has more than 2 wheels. Motor
25 vehicle does not include a motorcycle or a moped, as defined in
26 section 32b of the Michigan vehicle code, 1949 PA 300, MCL 257.32b.
27 Motor vehicle does not include a farm tractor or other implement of

1 husbandry which is not subject to the registration requirements of
2 the Michigan vehicle code pursuant to section 216 of the Michigan
3 vehicle code, 1949 PA 300, MCL 257.216. Motor vehicle does not
4 include an ORV.

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

10 (g) "ORV" means a motor-driven recreation vehicle designed for
11 off-road use and capable of cross-country travel without benefit of
12 road or trail, on or immediately over land, snow, ice, marsh,
13 swampland, or other natural terrain. ORV includes, but is not
14 limited to, a multitrack or multiwheel drive vehicle, a motorcycle
15 or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious
16 machine, a ground effect air cushion vehicle, an ATV as defined in
17 section 81101 of the natural resources and environmental protection
18 act, 1994 PA 451, MCL 324.81101, or other means of transportation
19 deriving motive power from a source other than muscle or wind. ORV
20 does not include a vehicle described in this subdivision that is
21 registered for use upon a public highway and has the security
22 described in **THIS** section ~~3101~~ or **SECTION** 3103 in effect.

23 (h) "Owner" means any of the following:

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

27 (ii) A person who holds the legal title to a vehicle, other

1 than a person engaged in the business of leasing motor vehicles who
2 is the lessor of a motor vehicle pursuant to a lease providing for
3 the use of the motor vehicle by the lessee for a period that is
4 greater than 30 days.

5 (iii) A person who has the immediate right of possession of a
6 motor vehicle under an installment sale contract.

7 (i) "Registrant" does not include a person engaged in the
8 business of leasing motor vehicles who is the lessor of a motor
9 vehicle pursuant to a lease providing for the use of the motor
10 vehicle by the lessee for a period that is greater than 30 days.

11 (3) Security may be provided under a policy issued by an
12 insurer duly authorized to transact business in this state which
13 affords insurance for the payment of benefits described in
14 subsection (1). A policy of insurance represented or sold as
15 providing security is considered to provide insurance for the
16 payment of the benefits.

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

27 Sec. 3104. (1) An unincorporated, nonprofit association to be

1 known as the catastrophic claims association, hereinafter referred
2 to as the association, is created. Each insurer engaged in writing
3 insurance coverages that provide the security required by section
4 3101(1) within this state, as a condition of its authority to
5 transact insurance in this state, shall be a member of the
6 association and shall be bound by the plan of operation of the
7 association. Each insurer engaged in writing insurance coverages
8 that provide the security required by section 3103(1) within this
9 state, as a condition of its authority to transact insurance in
10 this state, shall be considered a member of the association, but
11 only for purposes of premiums under subsection (7)(d). Except as
12 expressly provided in this section, the association is not subject
13 to any laws of this state with respect to insurers, but in all
14 other respects the association is subject to the laws of this state
15 to the extent that the association would be if it were an insurer
16 organized and subsisting under chapter 50.

17 (2) The association shall provide and each member shall accept
18 indemnification for 100% of the amount of ultimate loss sustained
19 under personal protection insurance coverages in excess of the
20 following amounts in each loss occurrence:

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

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

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

27 (d) For a motor vehicle accident policy issued or renewed

1 during the period July 1, 2004 to June 30, 2005, \$350,000.00.

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

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

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

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

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

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

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

16 Beginning July 1, 2013, this \$500,000.00 amount shall be increased
17 biennially on July 1 of each odd-numbered year, for policies issued
18 or renewed before July 1 of the following odd-numbered year, by the
19 lesser of 6% or the consumer price index, and rounded to the
20 nearest \$5,000.00. This biennial adjustment shall be calculated by
21 the association by January 1 of the year of its July 1 effective
22 date.

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

26 (4) An insurer whose membership in the association has been
27 terminated by withdrawal shall continue to be bound by the plan of

1 operation, and upon withdrawal, all unpaid premiums that have been
2 charged to the withdrawing member are payable as of the effective
3 date of the withdrawal.

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

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

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

17 (a) Assume 100% of all liability as provided in subsection
18 (2).

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

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

6 (d) In a manner provided for in the plan of operation,
7 calculate and charge to members of the association a total premium
8 sufficient to cover the expected losses and expenses of the
9 association that the association will likely incur during the
10 period for which the premium is applicable. The premium shall
11 include an amount to cover incurred but not reported losses for the
12 period and may be adjusted for any excess or deficient premiums
13 from previous periods. Excesses or deficiencies from previous
14 periods may be fully adjusted in a single period or may be adjusted
15 over several periods in a manner provided for in the plan of
16 operation. Each member shall be charged an amount equal to that
17 member's total written car years of insurance providing the
18 security required by section 3101(1) or 3103(1), or both, written
19 in this state during the period to which the premium applies,
20 multiplied by the average premium per car **AND ADJUSTED TO REFLECT**
21 **THE AMOUNT OF COVERAGE SELECTED BY EACH MEMBER'S INSUREDS UNDER**
22 **SECTION 3107**. The average premium per car shall be the total
23 premium calculated divided by the total written car years of
24 insurance providing the security required by section 3101(1) or
25 3103(1) written in this state of all members during the period to
26 which the premium applies. A member shall be charged a premium for
27 a historic vehicle that is insured with the member of 20% of the

1 premium charged for a car insured with the member. As used in this
2 subdivision:

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

5 (ii) "Historic vehicle" means a vehicle that is a registered
6 historic vehicle under section 803a or 803p of the Michigan vehicle
7 code, 1949 PA 300, MCL 257.803a and 257.803p.

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

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

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

15 (f) Receive and distribute all sums required by the operation
16 of the association.

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

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

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

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

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

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

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

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

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

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

4 (10) The plan of operation shall provide for all of the
5 following:

6 (a) The establishment of necessary facilities.

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

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

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

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

15 (f) The investment policy of the association.

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

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

22 (12) As part of the plan of operation, the board shall adopt
23 rules providing for the composition and term of successor boards to
24 the initial board, consistent with the membership composition
25 requirements in subsections (11) and (13). Terms of the directors
26 shall be staggered so that the terms of all the directors do not
27 expire at the same time and so that a director does not serve a

1 term of more than 4 years.

2 (13) The board shall consist of 5 directors, and the
3 commissioner shall be an ex officio member of the board without
4 vote.

5 (14) Each director shall be appointed by the commissioner and
6 shall serve until that member's successor is selected and
7 qualified. The chairperson of the board shall be elected by the
8 board. A vacancy on the board shall be filled by the commissioner
9 consistent with the plan of operation.

10 (15) After the board is appointed, the board shall meet as
11 often as the chairperson, the commissioner, or the plan of
12 operation shall require, or at the request of any 3 members of the
13 board. The chairperson shall retain the right to vote on all
14 issues. Four members of the board constitute a quorum.

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

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

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

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

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

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

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

4 (23) The commissioner or an authorized representative of the
5 commissioner may visit the association at any time and examine any
6 and all the association's affairs.

7 (24) The association does not have liability for losses
8 occurring before July 1, 1978.

9 (25) As used in this section:

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

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

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

23 Sec. 3107. (1) ~~Except as provided in subsection (2), personal~~
24 **PERSONAL** protection insurance benefits are payable for the
25 following:

26 (a) Allowable expenses ~~consisting of all reasonable charges~~
27 **THAT ARE AS PROVIDED IN SUBPARAGRAPHS (i), (ii), (iii), (iv), (v), AND**

1 (vi) incurred for reasonably necessary products, services, and
2 accommodations for an injured person's care, recovery, or
3 rehabilitation. ~~Allowable expenses within personal protection~~
4 ~~insurance coverage shall not include charges for a hospital room in~~
5 ~~excess of a reasonable and customary charge for semiprivate~~
6 ~~accommodations except if the injured person requires special or~~
7 ~~intensive care, or for funeral and burial expenses in the amount~~
8 ~~set forth in the policy which shall not be less than \$1,750.00 or~~
9 ~~more than \$5,000.00.~~ ANY CHANGE IN A LIMIT SELECTED UNDER

10 SUBPARAGRAPH (i), (ii), (iii), (iv), (v), OR (vi) APPLIES ONLY TO
11 BENEFITS ARISING OUT OF ACCIDENTS OCCURRING AFTER THE DATE OF THE
12 CHANGE IN THE LIMIT. AN INSURER SHALL REQUIRE THE SAME PERSONAL
13 PROTECTION COVERAGE LIMITS UNDER THIS SUBDIVISION FOR ALL MOTOR
14 VEHICLES INSURED UNDER THE SAME POLICY. AN INSURER SHALL PROVIDE
15 THE FOLLOWING COVERAGES, AND AN INSURED SHALL SELECT 1 OF THE
16 FOLLOWING COVERAGES WHICH SHALL APPLY TO THE INSURED NAMED IN THE
17 POLICY, THE INSURED'S SPOUSE, AND ANY RELATIVE OF EITHER DOMICILED
18 IN THE SAME HOUSEHOLD:

19 (i) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
20 REASONABLE CHARGES INCURRED UP TO A MAXIMUM OF \$50,000.00 FOR
21 REASONABLY NECESSARY PRODUCTS, SERVICES, AND ACCOMMODATIONS FOR AN
22 INJURED PERSON'S CARE, RECOVERY, OR REHABILITATION.

23 (ii) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
24 REASONABLE CHARGES INCURRED UP TO A MAXIMUM OF \$100,000.00 FOR
25 REASONABLY NECESSARY PRODUCTS, SERVICES, AND ACCOMMODATIONS FOR AN
26 INJURED PERSON'S CARE, RECOVERY, OR REHABILITATION.

27 (iii) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL

1 REASONABLE CHARGES INCURRED UP TO A MAXIMUM OF \$200,000.00 FOR
2 REASONABLY NECESSARY PRODUCTS, SERVICES, AND ACCOMMODATIONS FOR AN
3 INJURED PERSON'S CARE, RECOVERY, OR REHABILITATION.

4 (iv) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
5 REASONABLE CHARGES INCURRED UP TO A MAXIMUM OF \$400,000.00 FOR
6 REASONABLY NECESSARY PRODUCTS, SERVICES, AND ACCOMMODATIONS FOR AN
7 INJURED PERSON'S CARE, RECOVERY, OR REHABILITATION.

8 (v) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
9 REASONABLE CHARGES INCURRED FOR REASONABLE NECESSARY PRODUCTS,
10 SERVICES, AND ACCOMMODATIONS FOR AN INJURED PERSON'S CARE,
11 RECOVERY, OR REHABILITATION UP TO THE CURRENT MAXIMUM AMOUNT OF
12 ULTIMATE LOSS SUSTAINED BY THE INSURER FOR PERSONAL PROTECTION
13 INSURANCE COVERAGE UNDER SECTION 3104(2).

14 (vi) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
15 REASONABLE CHARGES INCURRED FOR REASONABLY NECESSARY PRODUCTS,
16 SERVICES, AND ACCOMMODATIONS FOR AN INJURED PERSON'S CARE,
17 RECOVERY, OR REHABILITATION.

18 (b) ~~Work~~—EXCEPT AS PROVIDED IN SUBSECTION (2), WORK loss
19 consisting of loss of income from work an injured person would have
20 performed during the first 3 years after the date of the accident
21 if he or she had not been injured. Work loss does not include any
22 loss after the date on which the injured person dies. Because the
23 benefits received from personal protection insurance for loss of
24 income are not taxable income, the benefits payable for such loss
25 of income shall be reduced 15% unless the claimant presents to the
26 insurer in support of his or her claim reasonable proof of a lower
27 value of the income tax advantage in his or her case, in which case

1 the lower value shall apply. ~~Beginning March 30, 1973~~ **FOR THE**
2 **PERIOD BEGINNING OCTOBER 1, 2010 THROUGH SEPTEMBER 30, 2011**, the
3 benefits payable for work loss sustained in a single 30-day period
4 and the income earned by an injured person for work during the same
5 period together shall not exceed ~~\$1,000.00~~ **\$4,929.00**, which maximum
6 shall apply pro rata to any lesser period of work loss. Beginning
7 October 1, ~~1974~~ **2011**, the maximum shall be adjusted annually to
8 reflect changes in the cost of living under rules prescribed by the
9 commissioner but any change in the maximum shall apply only to
10 benefits arising out of accidents occurring subsequent to the date
11 of change in the maximum.

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

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

27 **(3) THE FOLLOWING APPLY TO SUBSECTION (1) (A) :**

1 (A) IF AN INSURED FAILS TO SELECT 1 OF THE COVERAGES IN
2 SUBSECTION (1) (A), AN INSURER SHALL PROVIDE COVERAGE IN THE AMOUNT
3 SET FORTH IN SUBSECTION (1) (A) (vi) .

4 (B) COVERAGE LIMITS UNDER SUBSECTION (1) (A) ARE PROVIDED ON A
5 PER INDIVIDUAL PER LOSS OCCURRENCE BASIS. COVERAGE UNDER SUBSECTION
6 (1) (A) APPLIES ONLY TO BENEFITS PAYABLE TO THE INSURED NAMED IN THE
7 POLICY, THE INSURED'S SPOUSE, AND ANY RELATIVE OF EITHER DOMICILED
8 IN THE SAME HOUSEHOLD.

9 (C) A PERSON WHO IS NOT AN INSURED NAMED IN A POLICY, NOT THE
10 INSURED'S SPOUSE, AND NOT A RELATIVE OF EITHER DOMICILED IN THE
11 SAME HOUSEHOLD IS ENTITLED ONLY TO COVERAGE IN THE LIMIT SET FORTH
12 IN SUBSECTION (1) (A) (i) . PERSONAL PROTECTION INSURANCE BENEFITS
13 PAYABLE UNDER THIS SUBDIVISION ARE NOT PAYABLE TO THE EXTENT THAT
14 THE BENEFITS COVERING THE SAME LOSS ARE AVAILABLE FROM OTHER
15 SOURCES, REGARDLESS OF THE NATURE AND NUMBER OF BENEFIT SOURCES
16 AVAILABLE AND REGARDLESS OF THE NATURE OR FORM OF THE BENEFITS.

17 (D) REGARDLESS OF THE NUMBER OF MOTOR VEHICLES INSURED OR
18 INSURERS PROVIDING SECURITY IN ACCORDANCE WITH THIS CHAPTER, OR THE
19 PROVISIONS OF ANY OTHER LAW PROVIDING FOR DIRECT BENEFITS WITHOUT
20 REGARD TO FAULT FOR MOTOR OR ANY OTHER VEHICLE ACCIDENTS, A PERSON
21 SHALL NOT RECOVER DUPLICATE BENEFITS FOR THE SAME EXPENSES OR
22 LOSSES INCURRED UNDER SUBSECTION (1) (A) .

23 (E) PERSONAL PROTECTION INSURANCE BENEFITS ARE LIMITED TO THE
24 LIMIT SET FORTH IN SECTION 3163 FOR ACCIDENTS OCCURRING IN THIS
25 STATE IF THE INJURED PERSON IS AN OUT-OF-STATE RESIDENT AND THE
26 INJURED PERSON'S BENEFITS ARE PAYABLE UNDER A POLICY DELIVERED
27 OUTSIDE OF THIS STATE ONLY IF ELIGIBLE UNDER SECTION 3163.

1 (F) PERSONAL PROTECTION INSURANCE BENEFITS ARE NOT PAYABLE TO
2 AN OUT-OF-STATE RESIDENT INJURED IN AN ACCIDENT OCCURRING OUTSIDE
3 OF THIS STATE TO THE EXTENT THAT BENEFITS COVERING THE SAME LOSS
4 ARE AVAILABLE FROM OTHER SOURCES, REGARDLESS OF THE NATURE AND
5 NUMBER OF BENEFIT SOURCES AVAILABLE AND REGARDLESS OF THE NATURE OR
6 FORM OF THE BENEFITS. IF PERSONAL PROTECTION INSURANCE BENEFITS ARE
7 PAYABLE TO AN OUT-OF-STATE RESIDENT UNDER THIS SUBDIVISION, THE
8 BENEFITS ARE LIMITED TO THE LIMIT SET FORTH IN SUBSECTION (1) (A) (i)
9 PER INDIVIDUAL PER LOSS OCCURRENCE.

10 (G) ALLOWABLE EXPENSES WITHIN PERSONAL PROTECTION INSURANCE
11 COVERAGE SHALL NOT INCLUDE CHARGES FOR A HOSPITAL ROOM IN EXCESS OF
12 A REASONABLE AND CUSTOMARY CHARGE FOR SEMIPRIVATE ACCOMMODATIONS
13 EXCEPT IF THE INJURED PERSON REQUIRES SPECIAL OR INTENSIVE CARE OR
14 FOR FUNERAL AND BURIAL EXPENSES IN EXCESS OF THE AMOUNT SET FORTH
15 IN THE POLICY, WHICH SHALL NOT BE LESS THAN \$1,750.00 OR MORE THAN
16 \$5,000.00.

17 Sec. 3114. (1) Except as provided in subsections (2), (3), and
18 (5), a personal protection insurance policy described in section
19 3101(1) applies to accidental bodily injury to the person named in
20 the policy, the person's spouse, and a relative of either domiciled
21 in the same household, if the injury arises from a motor vehicle
22 accident. A personal injury insurance policy described in section
23 3103(2) applies to accidental bodily injury to the person named in
24 the policy, the person's spouse, and a relative of either domiciled
25 in the same household, if the injury arises from a motorcycle
26 accident. When personal protection insurance benefits **DESCRIBED IN**
27 **SECTION 3107(1)**, or personal injury benefits described in section

1 3103(2), are payable to or for the benefit of an injured person
2 under his or her own policy and would also be payable under the
3 policy of his or her spouse, relative, or relative's spouse, the
4 injured person's insurer shall pay all of the benefits and is not
5 entitled to recoupment from the other insurer. **IN NO EVENT SHALL**
6 **THE LIMIT OF LIABILITY FOR 2 OR MORE MOTOR VEHICLES UNDER 1 POLICY**
7 **OR FOR 2 OR MORE POLICIES BE ADDED TOGETHER, COMBINED, OR STACKED**
8 **TO DETERMINE THE LIMIT OF INSURANCE COVERAGE AVAILABLE FOR EACH**
9 **INJURED PERSON COVERED UNDER THE POLICY.**

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

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

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

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

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

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

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

1 destination point.

2 (3) An employee, his or her spouse, or a relative of either
3 domiciled in the same household, who suffers accidental bodily
4 injury while an occupant of a motor vehicle owned or registered by
5 the employer, shall receive personal protection insurance benefits
6 to which the employee is entitled ~~from~~ **IN THE FOLLOWING ORDER OF**
7 **PRIORITY:**

8 (A) **FROM** the insurer of the furnished vehicle.

9 (B) **FROM HIS OR HER OWN POLICY, FROM HIS OR HER SPOUSE'S**
10 **POLICY, OR FROM THE POLICY OF A RELATIVE OF EITHER THE PERSON OR**
11 **HIS OR HER SPOUSE DOMICILED IN THE SAME HOUSEHOLD.**

12 (4) Except as provided in subsections (1) to (3), a person
13 suffering accidental bodily injury arising from a motor vehicle
14 accident while an occupant of a motor vehicle shall claim personal
15 protection insurance benefits from insurers in the following order
16 of priority:

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

19 (b) The insurer of the operator of the vehicle occupied.

20 (5) A person suffering accidental bodily injury arising from a
21 motor vehicle accident which shows evidence of the involvement of a
22 motor vehicle while an operator or passenger of a motorcycle shall
23 claim personal protection insurance benefits from insurers in the
24 following order of priority:

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

27 (b) The insurer of the operator of the motor vehicle involved

1 in the accident.

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

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

6 (6) If 2 or more insurers are in the same order of priority to
7 provide personal protection insurance benefits, ~~under subsection~~
8 ~~(5)~~, an insurer paying benefits due is entitled to partial
9 recoupment from the other insurers in the same order of priority,
10 together with a reasonable amount of partial recoupment of the
11 expense of processing the claim, in order to accomplish equitable
12 distribution of the loss among all of the insurers.

13 Sec. 3115. (1) Except as provided in ~~subsection (1) of section~~
14 ~~3114-3114(1)~~, a person suffering accidental bodily injury while not
15 an occupant of a motor vehicle shall claim personal protection
16 insurance benefits from insurers in the following order of
17 priority:

18 (a) Insurers of owners or registrants of motor vehicles
19 involved in the accident.

20 (b) Insurers of operators of motor vehicles involved in the
21 accident.

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

1 among such insurers.

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

6 (4) **IN NO EVENT SHALL THE LIMIT OF LIABILITY FOR 2 OR MORE**
7 **MOTOR VEHICLES UNDER 1 POLICY OR FOR 2 OR MORE POLICIES BE ADDED**
8 **TOGETHER, COMBINED, OR STACKED TO DETERMINE THE LIMIT OF INSURANCE**
9 **COVERAGE AVAILABLE FOR EACH INJURED PERSON COVERED UNDER THE**
10 **POLICY.**

11 Sec. 3163. (1) An insurer authorized to transact automobile
12 liability insurance and personal and property protection insurance
13 in this state shall file and maintain a written certification that
14 any accidental bodily injury or property damage occurring in this
15 state arising from the ownership, operation, maintenance, or use of
16 a motor vehicle as a motor vehicle by an out-of-state resident who
17 is insured under its automobile liability insurance policies, is
18 subject to the personal and property protection insurance system
19 under this act.

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

22 (3) Except as otherwise provided in subsection (4), if a
23 certification filed under subsection (1) or (2) applies to
24 accidental bodily injury or property damage, the insurer and its
25 insureds with respect to that injury or damage have the rights and
26 immunities under this act for personal and property protection
27 insureds, and claimants have the rights and benefits of personal

1 and property protection insurance claimants, including the right to
 2 receive benefits from the electing insurer as if it were an insurer
 3 of personal and property protection insurance applicable to the
 4 accidental bodily injury or property damage.

5 (4) If an insurer of an out-of-state resident is required to
 6 provide benefits under subsections (1) to (3) to that out-of-state
 7 resident for accidental bodily injury for an accident in which the
 8 out-of-state resident was not an occupant of a motor vehicle
 9 registered in this state, the insurer is only liable for the amount
 10 of ultimate loss sustained up to ~~\$500,000.00~~ **\$50,000.00**. Benefits
 11 under this subsection are not recoverable to the extent that
 12 benefits covering the same loss are available from other sources,
 13 regardless of the nature or number of benefit sources available and
 14 regardless of the nature or form of the benefits.

15 Sec. 3172. (1) A person entitled to claim because of
 16 accidental bodily injury arising out of the ownership, operation,
 17 maintenance, or use of a motor vehicle as a motor vehicle in this
 18 state may obtain personal protection insurance benefits through an
 19 assigned claims plan ~~if~~ **IN ANY OF THE FOLLOWING SITUATIONS:**

20 (A) **IF** no personal protection insurance is applicable to the
 21 injury. ~~τ~~

22 (B) **IF** no personal protection insurance applicable to the
 23 injury can be identified. ~~τ~~

24 (C) **IF** the personal protection insurance applicable to the
 25 injury cannot be ascertained because of a dispute between 2 or more
 26 automobile insurers concerning their obligation to provide coverage
 27 or the equitable distribution of the loss. ~~τ~~ ~~or~~

1 (D) IF the only identifiable personal protection insurance
2 applicable to the injury is, because of financial inability of 1 or
3 more insurers to fulfill their obligations, inadequate to provide
4 benefits up to the maximum prescribed. ~~In such case~~

5 (2) IN ANY OF THE SITUATIONS UNDER SUBSECTION (1), unpaid
6 benefits due or coming due are subject to being collected under the
7 assigned claims plan, and the insurer to which the claim is
8 assigned, or the assigned claims facility if the claim is assigned
9 to it, is entitled to reimbursement from the defaulting insurers to
10 the extent of their financial responsibility.

11 (3) ~~(2)~~ Except as otherwise provided in this subsection,
12 personal protection insurance benefits, including benefits arising
13 from accidents occurring before the effective date of this
14 subsection, payable through an assigned claims plan shall be
15 reduced to the extent that benefits covering the same loss are
16 available from other sources, regardless of the nature or number of
17 benefit sources available and regardless of the nature or form of
18 the benefits, to a person claiming personal protection insurance
19 benefits through the assigned claims plan. This subsection ~~shall~~
20 ~~only apply~~ **ONLY APPLIES** when the personal protection insurance
21 benefits are payable through the assigned claims plan because no
22 personal protection insurance is applicable to the injury, no
23 personal protection insurance applicable to the injury can be
24 identified, or the only identifiable personal protection insurance
25 applicable to the injury is, because of financial inability of 1 or
26 more insurers to fulfill their obligations, inadequate to provide
27 benefits up to the maximum prescribed. As used in this subsection

1 "sources" and "benefit sources" do not include the program for
2 medical assistance for the medically indigent under the social
3 welfare act, ~~Act No. 280 of the Public Acts of 1939, being sections~~
4 ~~400.1 to 400.121 of the Michigan Compiled Laws, or insurance under~~
5 ~~the health insurance for the aged act, title XVIII of the social~~
6 ~~security amendments of 1965-1939 PA 280, MCL 400.1 TO 400.119B, OR~~
7 **THE FEDERAL MEDICARE PROGRAM ESTABLISHED UNDER TITLE XVIII OF THE**
8 **SOCIAL SECURITY ACT, 42 USC 1395 TO 1395KKK-1.**

9 (4) ~~(3)~~—If the obligation to provide personal protection
10 insurance benefits cannot be ascertained because of a dispute
11 between 2 or more automobile insurers concerning their obligation
12 to provide coverage or the equitable distribution of the loss, and
13 if a method of voluntary payment of benefits cannot be agreed upon
14 among or between the disputing insurers, all of the following shall
15 apply:

16 (a) The insurers who are parties to the dispute shall, or the
17 claimant may, immediately notify the assigned claims facility of
18 their inability to determine their statutory obligations.

19 (b) The claim shall be assigned by the assigned claims
20 facility to an insurer which shall immediately provide personal
21 protection insurance benefits to the claimant or claimants entitled
22 to benefits **IN THE LOWEST AMOUNT APPLICABLE AMONG THE POLICIES IN**
23 **DISPUTE.**

24 (c) An action shall be immediately commenced on behalf of the
25 assigned claims facility by the insurer to whom the claim is
26 assigned in circuit court for the purpose of declaring the rights
27 and duties of any interested party.

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

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

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

22 (5) IF NO PERSONAL PROTECTION INSURANCE IS APPLICABLE TO THE
23 INJURY OR NO PERSONAL PROTECTION INSURANCE APPLICABLE TO THE INJURY
24 CAN BE IDENTIFIED, PERSONAL PROTECTION INSURANCE BENEFITS SHALL BE
25 PAID ONLY TO THE LIMIT PROVIDED FOR IN SECTION 3107(1)(A)(i). IF THE
26 ONLY IDENTIFIABLE PERSONAL PROTECTION INSURANCE APPLICABLE TO THE
27 INJURY IS, BECAUSE OF FINANCIAL INABILITY OF 1 OR MORE INSURERS TO

1 FULFILL THEIR OBLIGATIONS, INADEQUATE TO PROVIDE BENEFITS UP TO THE
2 MAXIMUM PRESCRIBED, PERSONAL PROTECTION INSURANCE BENEFITS SHALL BE
3 PAID TO THE LIMIT SELECTED BY THE INSURED UNDER SECTION 3107(1)(A)
4 OR AS PROVIDED IN SECTION 3107(3)(A).

5 (6) ANY REIMBURSEMENT ORDERED UNDER THIS SECTION AND ANY
6 RECOVERY OBTAINED IN CIRCUMSTANCES WHERE PERSONAL PROTECTION
7 INSURANCE BENEFITS HAVE BEEN OR MAY BE PAID THROUGH THE ASSIGNED
8 CLAIMS FACILITY SHALL INCLUDE ALL BENEFITS AND COSTS PAID OR
9 INCURRED BY INSURERS DETERMINED NOT TO BE OBLIGATED TO PROVIDE THE
10 APPLICABLE PERSONAL PROTECTION INSURANCE BENEFITS, INCLUDING
11 REASONABLE ATTORNEY FEES AND INTEREST AT THE RATE PRESCRIBED IN
12 SECTION 3175 AS OF DECEMBER 31 OF THE YEAR PRECEDING THE
13 REIMBURSEMENT ORDER OR RECOVERY DETERMINATION.

14 Enacting section 1. This amendatory act takes effect January
15 1, 2012.