

SENATE BILL No. 296

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

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending the title, the heading of chapter 61, and sections
3301, 3330, 4501, 6101, 6105, 6107, and 6110 (MCL 500.3301,
500.3330, 500.4501, 500.6101, 500.6105, 500.6107, and 500.6110),
the title as amended by 2002 PA 304, section 4501 as added by 1995
PA 276, and sections 6101, 6105, 6107, and 6110 as added by 1992 PA
174, and by adding sections 6104, 6104a, 6104b, and 6108; and to
repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

TITLE

An act to revise, consolidate, and classify the laws relating
to the insurance and surety business; to regulate the incorporation
or formation of domestic insurance and surety companies and

1 associations and the admission of foreign and alien companies and
2 associations; to provide their rights, powers, and immunities and
3 to prescribe the conditions on which companies and associations
4 organized, existing, or authorized under this act may exercise
5 their powers; to provide the rights, powers, and immunities and to
6 prescribe the conditions on which other persons, firms,
7 corporations, associations, risk retention groups, and purchasing
8 groups engaged in an insurance or surety business may exercise
9 their powers; to provide for the imposition of a privilege fee on
10 domestic insurance companies and associations and the state
11 accident fund; to provide for the imposition of a tax on the
12 business of foreign and alien companies and associations; to
13 provide for the imposition of a tax on risk retention groups and
14 purchasing groups; to provide for the imposition of a tax on the
15 business of surplus line agents; to provide for the imposition of
16 regulatory fees on certain insurers; to provide for assessment fees
17 on certain health maintenance organizations; to modify tort
18 liability arising out of certain accidents; to provide for limited
19 actions with respect to that modified tort liability and to
20 prescribe certain procedures for maintaining those actions; to
21 require security for losses arising out of certain accidents; to
22 provide for the continued availability and affordability of
23 automobile insurance and homeowners insurance in this state and to
24 facilitate the purchase of that insurance by all residents of this
25 state at fair and reasonable rates; to provide for certain
26 reporting with respect to insurance and with respect to certain
27 claims against uninsured or self-insured persons; to prescribe

1 duties for certain state departments and officers with respect to
2 that reporting; to provide for certain assessments; to establish
3 and continue certain state insurance funds; to modify and clarify
4 the status, rights, powers, duties, and operations of the nonprofit
5 malpractice insurance fund; to provide for the departmental
6 supervision and regulation of the insurance and surety business
7 within this state; to provide for regulation over worker's
8 compensation self-insurers; to provide for the conservation,
9 rehabilitation, or liquidation of unsound or insolvent insurers; to
10 provide for the protection of policyholders, claimants, and
11 creditors of unsound or insolvent insurers; to provide for
12 associations of insurers to protect policyholders and claimants in
13 the event of insurer insolvencies; to prescribe educational
14 requirements for insurance agents and solicitors; to provide for
15 the regulation of multiple employer welfare arrangements; to create
16 an automobile **INSURANCE FRAUD AND** theft prevention authority to
17 reduce the number of automobile thefts in this state; to prescribe
18 the powers and duties of the automobile **INSURANCE FRAUD AND** theft
19 prevention authority; to provide certain powers and duties upon
20 certain officials, departments, and authorities of this state; to
21 provide for an appropriation; to repeal acts and parts of acts; and
22 to provide penalties for the violation of this act.

23 Sec. 3301. (1) Every insurer authorized to write automobile
24 insurance in this state shall participate in an organization for
25 the purpose of doing all of the following:

26 (a) Providing the guarantee that automobile insurance coverage
27 will be available to any person who is unable to procure that

1 insurance through ordinary methods.

2 (b) Preserving to the public the benefits of price competition
3 by encouraging maximum use of the normal private insurance system.

4 (C) PROVIDING FUNDING FOR THE MICHIGAN AUTOMOBILE INSURANCE
5 FRAUD AND THEFT PREVENTION AUTHORITY.

6 (2) The organization created under this chapter shall be
7 called the "Michigan automobile insurance placement facility".

8 Sec. 3330. (1) The board of governors shall have all power to
9 direct the operation of the facility, including, at a minimum, all
10 of the following:

11 (a) To sue and be sued in the name of the facility. A judgment
12 against the facility shall not create any liabilities in the
13 individual participating members of the facility.

14 (b) To delegate ministerial duties, to hire a manager, to hire
15 legal counsel, and to contract for goods and services from others.

16 (c) To assess participating members on the basis of
17 participation ratios pursuant to section 3303 to cover anticipated
18 costs of operation and administration of the facility, to provide
19 for equitable servicing fees, and to share losses, profits, and
20 expenses pursuant to the plan of operation.

21 (d) To impose limitations on cancellation or nonrenewal by
22 participating members of facility-placed business, in addition to
23 the limitations imposed by chapters 21 and 32.

24 (e) To provide for a limited number of participating members
25 to receive equitable distribution of applicants; or to provide for
26 a limited number of participating members to service applicants in
27 a plan of sharing of losses in accordance with ~~the subsection~~

1 **SECTION 3320(1)(c)** and the plan operation.

2 (f) To provide for standards of performance of service for the
3 participating members designated pursuant to subdivision (e).

4 (g) To adopt a plan of operation and any amendments to the
5 plan, not inconsistent with this chapter, necessary to assure the
6 fair, reasonable, equitable, and nondiscriminatory manner of
7 administering the facility, including compliance with chapter 21,
8 and to provide for such other matters as are necessary or advisable
9 to implement this chapter, including matters necessary to comply
10 with the requirements of chapter 21.

11 (2) The board of governors shall institute or cause to be
12 instituted by the facility or on its behalf an automatic data
13 processing system for recording and compiling data relative to
14 individuals insured through the facility. An automatic data
15 processing system established under this subsection shall, to the
16 greatest extent possible, be made compatible with the automatic
17 data processing system maintained by the secretary of state, to
18 provide for the identification and review of individuals insured
19 through the facility.

20 **(3) ON OR BEFORE JANUARY 1, 2012, THE BOARD OF GOVERNORS SHALL**
21 **AMEND THE PLAN OF OPERATION TO ESTABLISH APPROPRIATE PROCEDURES**
22 **NECESSARY TO MAKE ASSESSMENTS FOR AND TO CARRY OUT THE**
23 **ADMINISTRATIVE DUTIES AND FUNCTIONS OF THE MICHIGAN AUTOMOBILE**
24 **INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY AS PROVIDED IN**
25 **CHAPTER 61.**

26 Sec. 4501. As used in this chapter:

27 (a) "Authorized agency" means the department of state police;

1 a city, village, or township police department; a county sheriff's
 2 department; a United States criminal investigative department or
 3 agency; the prosecuting authority of a city, village, township,
 4 county, or state or of the United States; the ~~insurance bureau~~
 5 **OFFICE OF FINANCIAL AND INSURANCE REGULATION; THE MICHIGAN**
 6 **AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY;** or the
 7 department of state.

8 (b) "Financial loss" includes, but is not limited to, loss of
 9 earnings, out-of-pocket and other expenses, repair and replacement
 10 costs, investigative costs, and claims payments.

11 (c) "Insurance policy" or "policy" means an insurance policy,
 12 health maintenance organization contract, nonprofit dental care
 13 corporation certificate, or health care corporation certificate.

14 (d) "Insurer" means a property-casualty insurer, life insurer,
 15 third party administrator, self-funded plan, health insurer, health
 16 maintenance organization, nonprofit dental care corporation, health
 17 care corporation, reinsurer, or any other entity regulated by the
 18 insurance laws of this state and providing any form of insurance.

19 **(E) "MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION**
 20 **AUTHORITY" MEANS THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT**
 21 **PREVENTION AUTHORITY CREATED UNDER SECTION 6104.**

22 **(F) ~~(e)~~**"Organization" means an organization or internal
 23 department of an insurer established to detect and prevent
 24 insurance fraud.

25 **(G) ~~(f)~~**"Person" includes an individual, insurer, company,
 26 association, organization, Lloyds, society, reciprocal or inter-
 27 insurance exchange, partnership, syndicate, business trust,

1 corporation, and any other legal entity.

2 (H) ~~(g)~~—"Practitioner" means a licensee of this state
3 authorized to practice medicine and surgery, psychology,
4 chiropractic, or law, or any other licensee of the state whose
5 services are compensated, directly or indirectly, by insurance
6 proceeds, or a licensee similarly licensed in other states and
7 nations, or the practitioner of any nonmedical treatment rendered
8 in accordance with a recognized religious method of healing.

9 (I) ~~(h)~~—"Statement" includes, but is not limited to, any
10 notice statement, proof of loss, bill of lading, receipt for
11 payment, invoice, account, estimate of property damages, bill for
12 services, claim form, diagnosis, prescription, hospital or doctor
13 record, X-rays, test result, or other evidence of loss, injury, or
14 expense.

15 CHAPTER 61

16 AUTOMOBILE **INSURANCE FRAUD AND THEFT PREVENTION** AUTHORITY

17 Sec. 6101. As used in this chapter:

18 (a) "Authority" means the ~~automobile theft prevention~~
19 ~~authority~~ **MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION**
20 **AUTHORITY**.

21 (B) **"AUTOMOBILE INSURANCE FRAUD" MEANS A FRAUDULENT INSURANCE**
22 **ACT AS DESCRIBED IN SECTION 4503, WHICH ACT IS COMMITTED IN**
23 **CONNECTION WITH AN APPLICATION FOR OR A POLICY OF AUTOMOBILE**
24 **INSURANCE**.

25 (C) ~~(b)~~—"Board" means the board of directors of the **MICHIGAN**
26 **automobile INSURANCE FRAUD AND theft prevention authority**.

27 ~~—— (c) "Economic automobile theft" means automobile theft~~

1 ~~perpetrated for financial gain.~~

2 (D) "CAR YEARS" MEANS NET DIRECT PRIVATE PASSENGER AND
3 COMMERCIAL NONFLEET VEHICLE YEARS OF INSURANCE PROVIDING THE
4 SECURITY REQUIRED BY SECTION 3101(1) WRITTEN IN THIS STATE FOR THE
5 CALENDAR YEAR ENDING THE DECEMBER 31 OF THE SECOND PRIOR YEAR AS
6 REPORTED TO THE STATISTICAL AGENT OF EACH INSURER.

7 (E) "FACILITY" MEANS THE MICHIGAN AUTOMOBILE INSURANCE
8 PLACEMENT FACILITY CREATED UNDER CHAPTER 33.

9 SEC. 6104. (1) BEGINNING JANUARY 1, 2012, THE MICHIGAN
10 AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY IS
11 CREATED WITHIN THE FACILITY. THE FACILITY SHALL PROVIDE STAFF FOR
12 THE AUTHORITY AND SHALL CARRY OUT THE ADMINISTRATIVE DUTIES AND
13 FUNCTIONS AS DIRECTED BY THE BOARD OF DIRECTORS.

14 (2) THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT
15 PREVENTION AUTHORITY IS NOT A STATE AGENCY, AND THE MONEY OF THE
16 AUTHORITY IS NOT STATE MONEY. A RECORD OF THE AUTHORITY IS EXEMPT
17 FROM DISCLOSURE UNDER SECTION 13 OF THE FREEDOM OF INFORMATION ACT,
18 1976 PA 442, MCL 15.243.

19 (3) THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT
20 PREVENTION AUTHORITY SHALL DO ALL OF THE FOLLOWING:

21 (A) PROVIDE FINANCIAL SUPPORT TO STATE OR LOCAL LAW
22 ENFORCEMENT AGENCIES FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE
23 OF AUTOMOBILE INSURANCE FRAUD AND THEFT.

24 (B) PROVIDE FINANCIAL SUPPORT TO STATE OR LOCAL PROSECUTORIAL
25 AGENCIES FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF
26 AUTOMOBILE INSURANCE FRAUD AND THEFT.

27 (4) THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT

1 PREVENTION AUTHORITY MAY PROVIDE FINANCIAL SUPPORT TO LAW
2 ENFORCEMENT, PROSECUTORIAL, INSURANCE, EDUCATION, OR TRAINING
3 ASSOCIATIONS FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF
4 AUTOMOBILE INSURANCE FRAUD AND THEFT.

5 (5) THE PURPOSES, POWERS, AND DUTIES OF THE MICHIGAN
6 AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY SHALL BE
7 VESTED IN AND EXERCISED BY A BOARD OF DIRECTORS. THE BOARD OF
8 DIRECTORS SHALL CONSIST OF 13 MEMBERS AS FOLLOWS:

9 (A) SEVEN MEMBERS WHO REPRESENT AUTOMOBILE INSURERS IN THIS
10 STATE SUBJECT TO THE FOLLOWING:

11 (i) AT LEAST 2 MEMBERS WHO REPRESENT INSURER GROUPS WITH
12 350,000 OR MORE CAR YEARS.

13 (ii) AT LEAST 2 MEMBERS WHO REPRESENT INSURER GROUPS WITH LESS
14 THAN 350,000 BUT 100,000 OR MORE CAR YEARS.

15 (iii) AT LEAST 1 MEMBER WHO REPRESENTS INSURER GROUPS WITH LESS
16 THAN 100,000 CAR YEARS.

17 (B) THE COMMISSIONER OR HIS OR HER DESIGNEE.

18 (C) THE ATTORNEY GENERAL OR HIS OR HER DESIGNEE.

19 (D) TWO MEMBERS WHO REPRESENT LAW ENFORCEMENT AGENCIES IN THIS
20 STATE.

21 (E) ONE MEMBER WHO REPRESENTS PROSECUTING ATTORNEYS IN THIS
22 STATE.

23 (F) ONE MEMBER WHO REPRESENTS THE GENERAL PUBLIC.

24 (6) THE INSURER MEMBERS ON THE BOARD UNDER SUBSECTION (5)
25 SHALL BE ELECTED BY AUTOMOBILE INSURERS DOING BUSINESS IN THIS
26 STATE FROM A LIST OF NOMINEES PROPOSED BY THE BOARD OF GOVERNORS OF
27 THE FACILITY. IN PREPARING THE LIST OF NOMINEES FOR THE INSURER

1 MEMBERS, THE BOARD OF GOVERNORS OF THE FACILITY SHALL SOLICIT
2 NOMINATIONS FROM AUTOMOBILE INSURERS DOING BUSINESS IN THIS STATE.

3 (7) THE LAW ENFORCEMENT MEMBERS ON THE BOARD UNDER SUBSECTION
4 (5) SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT
5 OF THE SENATE. IN APPOINTING THE LAW ENFORCEMENT MEMBERS, THE
6 GOVERNOR SHALL COMPLY WITH ALL OF THE FOLLOWING:

7 (A) HE OR SHE SHALL SOLICIT INPUT FROM VARIOUS LAW ENFORCEMENT
8 ASSOCIATIONS IN THIS STATE.

9 (B) HE OR SHE SHALL NOT APPOINT A MEMBER WHO REPRESENTS THE
10 SAME TYPE OF LAW ENFORCEMENT AGENCY AS THE OTHER MEMBER WHO
11 REPRESENTS LAW ENFORCEMENT AGENCIES ON THE BOARD.

12 (C) HE OR SHE SHALL NOT APPOINT A MEMBER REPRESENTING THE SAME
13 LAW ENFORCEMENT AGENCY TO THE BOARD FOR MORE THAN 2 CONSECUTIVE
14 TERMS.

15 (8) THE PROSECUTING ATTORNEY MEMBER ON THE BOARD UNDER
16 SUBSECTION (5) SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE
17 AND CONSENT OF THE SENATE. IN APPOINTING THE PROSECUTING ATTORNEY
18 MEMBER, THE GOVERNOR SHALL SOLICIT INPUT FROM VARIOUS PROSECUTING
19 ATTORNEY ASSOCIATIONS IN THIS STATE.

20 (9) THE PUBLIC MEMBER ON THE BOARD UNDER SUBSECTION (5) SHALL
21 BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE
22 SENATE. THE PUBLIC MEMBER SHALL BE A RESIDENT OF THIS STATE AND
23 SHALL NOT BE EMPLOYED BY OR UNDER CONTRACT WITH ANY STATE OR LOCAL
24 UNIT OF GOVERNMENT OR ANY INSURER.

25 (10) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, MEMBERS
26 OF THE BOARD SHALL SERVE FOR A TERM OF 4 YEARS AND UNTIL THEIR
27 SUCCESSORS ARE APPOINTED AND QUALIFIED. FOR THE MEMBERS FIRST

1 ELECTED OR APPOINTED UNDER THIS SECTION, 2 INSURER MEMBERS AND 1
2 LAW ENFORCEMENT MEMBER SHALL SERVE FOR A TERM OF 2 YEARS; 3 INSURER
3 MEMBERS, THE PROSECUTING ATTORNEY MEMBER, AND THE GENERAL PUBLIC
4 MEMBER SHALL SERVE FOR A TERM OF 3 YEARS; AND 2 INSURER MEMBERS AND
5 1 LAW ENFORCEMENT MEMBER SHALL SERVE FOR A TERM OF 4 YEARS.

6 SEC. 6104A. (1) MEMBERS OF THE BOARD SHALL SERVE WITHOUT
7 COMPENSATION FOR THEIR MEMBERSHIP ON THE BOARD, EXCEPT THAT MEMBERS
8 OF THE BOARD SHALL RECEIVE REASONABLE REIMBURSEMENT FOR NECESSARY
9 TRAVEL AND EXPENSES.

10 (2) A MAJORITY OF THE MEMBERS OF THE BOARD SHALL CONSTITUTE A
11 QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING, OR THE
12 EXERCISE OF A POWER OR FUNCTION OF THE AUTHORITY, NOTWITHSTANDING
13 THE EXISTENCE OF 1 OR MORE VACANCIES. NOTWITHSTANDING ANY OTHER
14 PROVISION OF LAW, ACTION MAY BE TAKEN BY THE BOARD AT A MEETING
15 UPON A VOTE OF THE MAJORITY OF ITS MEMBERS PRESENT IN PERSON OR
16 THROUGH THE USE OF AMPLIFIED TELEPHONIC EQUIPMENT, IF AUTHORIZED BY
17 THE BYLAWS OR PLAN OF OPERATION OF THE BOARD. THE BOARD SHALL MEET
18 AT THE CALL OF THE CHAIR OR AS MAY BE PROVIDED IN THE BYLAWS OF THE
19 BOARD. MEETINGS OF THE BOARD MAY BE HELD ANYWHERE WITHIN THE STATE
20 OF MICHIGAN.

21 (3) THE BOARD SHALL ADOPT A PLAN OF OPERATION BY A MAJORITY
22 VOTE OF THE BOARD. VACANCIES ON THE BOARD SHALL BE FILLED IN
23 ACCORDANCE WITH THE PLAN OF OPERATION.

24 SEC. 6104B. ON OR BEFORE JANUARY 1, 2012, THE DEPARTMENT OF
25 STATE POLICE SHALL TRANSFER ALL ASSETS OF THE AUTOMOBILE THEFT
26 PREVENTION AUTHORITY TO THE FACILITY FOR THE BENEFIT OF THE
27 MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY.

1 Sec. 6105. The ~~authority~~ **BOARD** shall have the powers necessary
2 ~~or convenient~~ to carry out and effectuate the purposes and
3 ~~provisions of this chapter and the purposes of the authority and~~
4 ~~the powers delegated by other laws~~ **ITS DUTIES UNDER THIS ACT,**
5 including, but not limited to, the power to **DO THE FOLLOWING:**

6 (a) Sue and be sued ; ~~to have a seal and alter the same at~~
7 ~~pleasure; to have perpetual succession; to make, execute, and~~
8 ~~deliver contracts, conveyances, and other instruments necessary or~~
9 ~~convenient to the exercise of its powers; and to make and amend~~
10 ~~bylaws~~ **IN THE NAME OF THE AUTHORITY.**

11 (b) Solicit and accept gifts, grants, loans, ~~funds collected~~
12 ~~and placed in the automobile theft prevention fund, and other aids~~
13 from any person or the federal, state, or a local government or any
14 agency thereof.

15 (c) Make grants and investments.

16 (d) Procure insurance against any loss in connection with its
17 property, assets, or activities.

18 (e) Invest any money held in reserve or sinking funds, or any
19 money not required for immediate use or disbursement, at its
20 discretion and to name and use depositories for its money.

21 (f) Contract for goods and services and engage personnel as is
22 necessary. , ~~including the services of private consultants,~~
23 ~~managers, counsel, auditors, and others for rendering professional,~~
24 ~~management, and technical assistance and advice, payable out of any~~
25 ~~money of the fund legally available for this purpose.~~

26 (g) Indemnify and procure insurance indemnifying any member of
27 the board from personal loss or accountability from liability

1 resulting from a member's action or inaction as a member of the
2 board.

3 ~~(h) Do all other things necessary or convenient to achieve the~~
4 ~~objectives and purposes of the authority, this chapter, or other~~
5 ~~laws~~ **PERFORM OTHER ACTS NOT SPECIFICALLY ENUMERATED IN THIS SECTION**
6 **THAT ARE NECESSARY OR PROPER TO ACCOMPLISH THE PURPOSES OF THE**
7 **AUTHORITY AND THAT ARE NOT INCONSISTENT WITH THIS SECTION OR THE**
8 **PLAN OF OPERATION.**

9 Sec. 6107. (1) Prior to April 1 of each year, each insurer
10 engaged in writing insurance coverages ~~which~~ **THAT** provide the
11 security required by section 3101(1) within this state, as a
12 condition of its authority to transact insurance in this state,
13 shall pay to the ~~authority~~ **FACILITY, FOR DEPOSIT INTO THE ACCOUNT**
14 **OF THE AUTHORITY,** an assessment equal to ~~\$1.00~~ **\$2.00** multiplied by
15 the insurer's total ~~earned~~ car years of insurance. ~~providing the~~
16 ~~security required by section 3101(1) written in this state during~~
17 ~~the immediately preceding calendar year.~~

18 (2) Money received pursuant to subsection (1), and all other
19 money received by the authority, shall be segregated ~~and placed in~~
20 ~~a fund to be known as the automobile theft prevention fund. The~~
21 ~~automobile theft prevention fund shall be administered by the~~
22 ~~authority~~ **FROM OTHER FUNDS OF THE FACILITY, IF APPLICABLE, AND**
23 **SHALL ONLY BE EXPENDED AS DIRECTED BY THE BOARD.**

24 ~~— (3) Money in the automobile theft prevention fund shall be~~
25 ~~expended in the following order of priority:~~

26 ~~— (a) To pay the costs of administration of the authority.~~

27 ~~— (b) To achieve the purposes and objectives of this chapter,~~

1 ~~which may include, but not be limited to, the following:~~

2 ~~—— (i) Provide financial support to the department of state police~~
3 ~~and local law enforcement agencies for economic automobile theft~~
4 ~~enforcement teams.~~

5 ~~—— (ii) Provide financial support to state or local law~~
6 ~~enforcement agencies for programs designed to reduce the incidence~~
7 ~~of economic automobile theft.~~

8 ~~—— (iii) Provide financial support to local prosecutors for~~
9 ~~programs designed to reduce the incidence of economic automobile~~
10 ~~theft.~~

11 ~~—— (iv) Provide financial support to judicial agencies for~~
12 ~~programs designed to reduce the incidence of economic automobile~~
13 ~~theft.~~

14 ~~—— (v) Provide financial support for neighborhood or community~~
15 ~~organizations or business organizations for programs designed to~~
16 ~~reduce the incidence of automobile theft.~~

17 ~~—— (vi) Conduct educational programs designed to inform automobile~~
18 ~~owners of methods of preventing automobile theft and to provide~~
19 ~~equipment, for experimental purposes, to enable automobile owners~~
20 ~~to prevent automobile theft.~~

21 ~~—— (4) Money in the automobile theft prevention fund shall only~~
22 ~~be used for automobile theft prevention efforts and shall be~~
23 ~~distributed based on need and efficacy as determined by the~~
24 ~~authority.~~

25 ~~—— (5) Money in the automobile theft prevention fund shall not be~~
26 ~~considered state money.~~

27 **(3) FROM THE FUNDS RECEIVED ANNUALLY UNDER SUBSECTION (1), THE**

1 BOARD SHALL NOT REDUCE THE AMOUNT OF MONEY AVAILABLE TO PROVIDE
2 FINANCIAL SUPPORT FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF
3 AUTOMOBILE THEFT BELOW \$6,000,000.00.

4 SEC. 6108. (1) EACH INSURER AUTHORIZED TO TRANSACT AUTOMOBILE
5 INSURANCE IN THIS STATE, AS A CONDITION OF ITS AUTHORITY TO
6 TRANSACT INSURANCE IN THIS STATE, SHALL REPORT AUTOMOBILE INSURANCE
7 FRAUD DATA TO THE AUTHORITY USING THE FORMAT AND PROCEDURES SET
8 FORTH BY THE BOARD.

9 (2) THE DEPARTMENT OF STATE POLICE SHALL COOPERATE WITH THE
10 AUTHORITY AND SHALL PROVIDE AVAILABLE MOTOR VEHICLE FRAUD AND THEFT
11 STATISTICS TO THE AUTHORITY UPON REQUEST.

12 Sec. 6110. ~~(1) The authority shall develop and implement a~~
13 ~~plan of operation.~~

14 ~~———— (2) The plan of operation shall include an assessment of the~~
15 ~~scope of the problem of automobile theft, including particular~~
16 ~~areas of the state where the problem is greatest; an analysis of~~
17 ~~various methods of combating the problem of automobile theft and~~
18 ~~economic automobile theft; a plan for providing financial support~~
19 ~~to combat automobile theft and economic automobile theft; and an~~
20 ~~estimate of the funds required to implement the plan.~~

21 ~~———— (3) The authority shall report annually on or before February~~
22 **APRIL 1** to the ~~governor~~ **COMMISSIONER** and the legislature on its
23 activities in the preceding year.

24 Enacting section 1. Sections 6103 and 6111 of the insurance
25 code of 1956, 1956 PA 218, MCL 500.6103 and 500.6111, are repealed
26 effective January 1, 2012.

27 Enacting section 2. The title and sections 4501, 6101, 6105,

1 6107, and 6110 of the insurance code of 1956, 1956 PA 218, MCL
2 500.4501, 500.6101, 500.6105, 500.6107, and 500.6110, as amended by
3 this amendatory act, and sections 6104a and 6108 of the insurance
4 code of 1956, 1956 PA 218, as added by this amendatory act, take
5 effect January 1, 2012.