

HOUSE BILL No. 5604

April 27, 2016, Introduced by Rep. Theis and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
 "The insurance code of 1956,"
 by amending section 3173a (MCL 500.3173a), as amended by 2012 PA
 204.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3173a. (1) The Michigan automobile insurance placement
 2 facility shall make an initial determination of ~~a claimant's~~ **THE**
 3 eligibility for benefits under the assigned claims plan **FOR A**
 4 **CLAIMANT OR A PERSON MAKING A CLAIM THROUGH OR ON BEHALF OF A**
 5 **CLAIMANT** and shall deny ~~an obviously ineligible~~ **A claim** ~~. The~~ **THAT**
 6 **IS DETERMINED TO BE INELIGIBLE UNDER THIS CHAPTER OR THE ASSIGNED**
 7 **CLAIMS PLAN. A CLAIMANT OR PERSON MAKING A CLAIM THROUGH OR ON**
 8 **BEHALF OF A CLAIMANT THAT FAILS TO COOPERATE IS INELIGIBLE FOR**
 9 **BENEFITS UNDER THE ASSIGNED CLAIMS PLAN. THE MICHIGAN AUTOMOBILE**
 10 **INSURANCE PLACEMENT FACILITY SHALL NOTIFY THE** claimant ~~shall be~~

1 notified promptly in writing of the ~~A~~ denial and the reasons for
2 the denial.

3 (2) A CLAIMANT OR A PERSON MAKING A CLAIM THROUGH OR ON BEHALF
4 OF A CLAIMANT SHALL COOPERATE IN THE INVESTIGATION OF ELIGIBILITY
5 AND THE SETTLEMENT OR DEFENSE OF ANY CLAIM OR SUIT, INCLUDING, BUT
6 NOT LIMITED TO, SUBMITTING TO EXAMINATIONS UNDER OATH AND TO
7 SECTIONS 3151 TO 3153.

8 (3) A PERSON WHO HAS REASON TO BELIEVE THAT THE MICHIGAN
9 AUTOMOBILE INSURANCE PLACEMENT FACILITY HAS IMPROPERLY DETERMINED
10 THAT AN APPLICATION FOR BENEFITS IS INELIGIBLE IS ENTITLED TO A
11 PRIVATE, INFORMAL, MANAGERIAL-LEVEL CONFERENCE WITH THE MICHIGAN
12 AUTOMOBILE INSURANCE PLACEMENT FACILITY.

13 (4) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY SHALL
14 ESTABLISH REASONABLE INTERNAL PROCEDURES TO PROVIDE A PERSON WITH A
15 PRIVATE, INFORMAL, MANAGERIAL-LEVEL CONFERENCE DESCRIBED IN
16 SUBSECTION (3). THE PROCEDURES MUST INCLUDE ALL OF THE FOLLOWING:

17 (A) A METHOD OF PROVIDING THE PERSON, ON WRITTEN REQUEST AND
18 PAYMENT OF A REASONABLE COPYING CHARGE, WITH INFORMATION PERTINENT
19 TO THE DECISION.

20 (B) A METHOD FOR RESOLVING THE DISPUTE PROMPTLY AND
21 INFORMALLY, WHILE PROTECTING THE INTERESTS OF BOTH THE PERSON AND
22 THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY.

23 (5) IF THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY
24 FAILS TO PROVIDE A CONFERENCE UNDER SUBSECTION (3) AND A PROPOSED
25 RESOLUTION OF THE DISPUTE WITHIN 30 DAYS AFTER A REQUEST BY A
26 PERSON, OR IF THE PERSON DISAGREES WITH THE PROPOSED RESOLUTION OF
27 THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY AFTER

1 COMPLETION OF THE CONFERENCE, THE PERSON IS ENTITLED TO A
2 DETERMINATION OF THE MATTER BY THE DIRECTOR. THE DIRECTOR SHALL BY
3 RULE ESTABLISH A PROCEDURE FOR DETERMINATIONS UNDER THIS
4 SUBSECTION, WHICH MUST BE REASONABLY CALCULATED TO RESOLVE THESE
5 MATTERS INFORMALLY AND PROMPTLY, WHILE PROTECTING THE INTERESTS OF
6 BOTH THE PERSON AND THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT
7 FACILITY.

8 (6) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY SHALL
9 CLOSE THE CLAIM FILE OF A PERSON WHO FAILS TO APPEAR FOR A
10 CONFERENCE UNDER SUBSECTION (3) OR FOR A SCHEDULED REVIEW BY THE
11 DIRECTOR.

12 (7) ~~(2)~~—A person who presents or causes to be presented an
13 oral or written statement, including computer-generated
14 information, as part of or in support of a claim to the Michigan
15 automobile insurance placement facility, **OR TO AN INSURER TO WHICH**
16 **THE CLAIM IS ASSIGNED UNDER THE ASSIGNED CLAIMS PLAN**, for payment
17 or another benefit knowing that the statement contains false
18 information concerning a fact or thing material to the claim
19 commits a fraudulent insurance act under section 4503 that is
20 subject to the penalties imposed under section 4511. A claim that
21 contains or is supported by a fraudulent insurance act as described
22 in this subsection is ineligible for payment ~~or~~ **OF PERSONAL**
23 **PROTECTION INSURANCE** benefits under the assigned claims plan.

24 Enacting section 1. This amendatory act takes effect 90 days
25 after the date it is enacted into law.