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 associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations; and the state accident fund; to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of...
automobile insurance and homeowners insurance in this state and to facilitate the purchase of that insurance by all residents of this state at fair and reasonable rates; to provide for certain reporting with respect to insurance and with respect to certain claims against uninsured or self-insured persons; to prescribe duties for certain state departments and officers with respect to that reporting; to provide for certain assessments; to establish and continue certain state insurance funds; to modify and clarify the status, rights, powers, duties, and operations of the nonprofit malpractice insurance fund; to provide for the departmental supervision and regulation of the insurance and surety business within this state; to provide for regulation of worker's compensation self-insurers; to provide for the conservation, rehabilitation, or liquidation of unsound or insolvent insurers; to provide for the protection of policyholders, claimants, and creditors of unsound or insolvent insurers; to provide for associations of insurers to protect policyholders and claimants in the event of insurer insolvencies; to prescribe educational requirements for insurance agents and solicitors; to provide for the regulation of multiple employer welfare arrangements; to create an automobile theft prevention authority to reduce insurance fraud and the number of automobile thefts in this state; and to prescribe the powers and duties of the automobile theft prevention authority; to provide certain powers and duties upon certain officials, departments, and authorities of this state; to provide for an appropriation; to repeal acts and parts of acts; and to provide penalties for the
violation of this act.

SEC. 1245. (1) AN INSURANCE PRODUCER, INCLUDING, BUT NOT LIMITED TO, A PRODUCING AGENCY, OR AN EMPLOYEE OR AGENT OF AN INSURANCE PRODUCER IS NOT LIABLE FOR DAMAGES CAUSED BY THE CONDUCT OF THE PRODUCER, EMPLOYEE, OR AGENT RELATED TO OBTAINING OR PROVIDING INFORMATION, OR THE CHOICE OF PERSONAL PROTECTION INSURANCE BENEFITS BY AN INSURED, UNDER SECTION 3107C OR 3109A.

(2) THIS SECTION DOES NOT APPLY WITH RESPECT TO A POLICY ISSUED OR RENEWED AFTER 3 YEARS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION.

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

(2) Classifications established under this section for automobile insurance MUST be based only on 1 or more of the following factors, which THE INSURER shall be applied by an insurer APPLY on a uniform basis throughout this state:

(a) With respect to all automobile insurance coverages:

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

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

(iii) Average miles driven weekly, annually, or both.
(iv) Type of use, such as business, farm, or pleasure use.

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

(vi) Daily or weekly commuting mileage.

(vii) Number of cars insured by the insurer or number of licensed operators in the household. However, THE INSURER SHALL NOT USE THE number of licensed operators shall not be used as an indirect measure of marital status.

(viii) Amount of insurance.

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

(i) Earned income.

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

(iii) Coordination of benefits.

(iv) Use of a safety belt.

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

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

(ii) Vehicle make and model.

(iii) Vehicle design characteristics related to vehicle damageability.
(iv) Vehicle characteristics relating to automobile theft prevention devices.

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

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

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

   (A) The effects of aging on driving behavior.
   (B) The shapes, colors, and types of road signs.
   (C) The effects of alcohol and medication on driving.
   (D) The laws relating to the proper use of a motor vehicle.
   (E) Accident prevention measures.
   (F) The benefits of safety belts and child restraints.
   (G) Major driving hazards.
   (H) Interaction with other highway users, such as motorcyclists, bicyclists, and pedestrians.

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

   (a) Substantially at-fault accidents.
(b) Convictions for, determinations of responsibility for civil infractions for, or findings of responsibility in probate court for civil infractions for violations under chapter VI of the Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750. However, an insured shall not be merit rated for a civil infraction under chapter VI of the Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750, for a period of time longer than that which the secretary of state's office carries points for that infraction on the insured's motor vehicle record.

(4) An insurer shall not establish or maintain rates or rating classifications for automobile insurance based on sex or marital status. THIS SUBSECTION APPLIES REGARDLESS OF ANYTHING IN THIS ACT TO THE CONTRARY, INCLUDING, BUT NOT LIMITED TO, ANYTHING IN SECTIONS 2109 TO 2110A OR SUBSECTION (9).

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

(6) This section does not limit insurers or rating organizations from establishing and maintaining statistical reporting territories. This section does not prohibit an insurer from establishing or maintaining, for automobile insurance, a premium discount plan for senior citizens in this state who are 65 years of age or older, if the plan is uniformly applied by the insurer throughout this state. If an insurer has not established and maintained a premium discount plan for senior citizens, the insurer shall offer reduced premium rates to senior citizens in this state who are 65 years of age or older and who drive less than 3,000 miles per year, regardless of statistical data.
(7) Classifications established under this section for home insurance other than inland marine insurance provided by policy floaters or endorsements shall be based only on 1 or more of the following factors:

(a) Amount and types of coverage.
(b) Security and safety devices, including locks, smoke detectors, and similar, related devices.
(c) Repairable structural defects reasonably related to risk.
(d) Fire protection class.
(e) Construction of structure, based on structure size, building material components, and number of units.
(f) Loss experience of the insured, based on prior claims attributable to factors under the control of the insured that have been paid by an insurer. An insured's failure, after written notice from the insurer, to correct a physical condition that presents a risk of repeated loss shall be considered a factor under the control of the insured for purposes of this subdivision.
(g) Use of smoking materials within the structure.
(h) Distance of the structure from a fire hydrant.
(i) Availability of law enforcement or crime prevention services.

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

(9) An insurer may use factors in addition to those permitted by this section for insurance if the plan is consistent with the purposes of this act and reflects reasonably anticipated reductions or increases in losses or expenses.
Sec. 3101. (1) The owner or registrant of a motor vehicle required to be registered in this state shall maintain security for payment of benefits under personal protection insurance 
(Large discretionaryếor under SECTION 3107 UP TO ANY LIMIT ON BENEFITS APPLICABLE 
PERSON UNDER SECTION 3107C, property protection insurance, and/residual liability insurance 
Security is only required to be in effect during the period the/motor vehicle is driven or moved on a highway. Notwithstanding any/other provision in this act, an insurer that has issued an/automobile insurance policy on a motor vehicle that is not driven/or moved on a highway may allow the insured owner or registrant of/the motor vehicle to delete a portion of the coverages under the/policy and maintain the comprehensive coverage portion of the/policy in effect.

(2) As used in this chapter:
(a) "Automobile insurance" means that term as defined in/section 2102.

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

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

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

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

(iv) The vehicle is designed to be occupied by a driver and/powered either by passengers providing pedal power to the drive
train of the vehicle or by a motor capable of propelling the
vehicle in the absence of human power.

(v) The vehicle is used for commercial purposes.

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

(C) "EMERGENCY MEDICAL CONDITION" MEANS THAT TERM AS DEFINED
IN SECTION 1395DD OF THE SOCIAL SECURITY ACT, 42 USC 1395DD, AS
DETERMINED AND DOCUMENTED BY A QUALIFIED MEDICAL PROFESSIONAL.

(D) (c) "Golf cart" means a vehicle designed for
transportation while playing the game of golf.

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

(F) "HOUSEHOLD" MEANS A HOUSE, AN APARTMENT, A MOBILE HOME, OR
ANY OTHER STRUCTURE OR PART OF A STRUCTURE INTENDED FOR RESIDENTIAL
OCCUPANCY AS SEPARATE LIVING QUARTERS.

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

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

(I) (g) "Motorcycle accident" means a loss that involves the
ownership, operation, maintenance, or use of a motorcycle as a
motorcycle, but does not involve the ownership, operation,
maintenance, or use of a motor vehicle as a motor vehicle.

(J) "Motor vehicle" means a vehicle, including a trailer, that is operated or designed for operation on a public highway by power other than muscular power and has more than 2 wheels. Motor vehicle does not include any of the following:

(i) A motorcycle.
(ii) A moped.
(iii) A farm tractor or other implement of husbandry that is not subject to the registration requirements of the Michigan vehicle code under section 216 of the Michigan vehicle code, 1949 PA 300, MCL 257.216.
(iv) An ORV.
(v) A golf cart.
(vi) A power-driven mobility device.
(vii) A commercial quadricycle.

(K) "Motor vehicle accident" means a loss that involves the ownership, operation, maintenance, or use of a motor vehicle as a motor vehicle regardless of whether the accident also involves the ownership, operation, maintenance, or use of a motorcycle as a motorcycle.

(l) "ORV" means a motor-driven recreation vehicle designed for off-road use and capable of cross-country travel without benefit of road or trail, on or immediately over land, snow, ice, marsh, swampland, or other natural terrain. ORV includes, but is not limited to, a multitrack or multiwheel drive vehicle, a motorcycle or related 2-wheel, 3-wheel, or 4-wheel vehicle, an
amphibious machine, a ground effect air cushion vehicle, an ATV as defined in section 81101 of the natural resources and environmental protection act, 1994 PA 451, MCL 324.81101, or other means of transportation deriving motive power from a source other than muscle or wind. ORV does not include a vehicle described in this subdivision that is registered for use on a public highway and has the security required under subsection (1) or section 3103 in effect.

(M) (k) "Owner" means any of the following:

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

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

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

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

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

(O) "QUALIFIED MEDICAL PROFESSIONAL" MEANS ANY OF THE FOLLOWING:


(iv) AN ADVANCED PRACTICE REGISTERED NURSE AS THAT TERM IS DEFINED IN SECTION 17201 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.17201.

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

(Q) "RELATED EMERGENCY CARE" MEANS A REASONABLY NECESSARY IN-PATIENT TREATMENT, PRODUCT, SERVICE, OR ACCOMMODATION RELATED TO, IMMEDIATELY FOLLOWING, AND NECESSITATED BY AN EMERGENCY MEDICAL CONDITION AS DETERMINED AND DOCUMENTED BY A QUALIFIED MEDICAL PROFESSIONAL.
(R) "RELATED PERSON" MEANS THE SPOUSE, A CHILD, OR A RELATIVE WHO IS RELATED TO THE PERSON WITHIN THE SEVENTH DEGREE OF CONSANGUINITY, AS COMPUTED BY THE CIVIL LAW METHOD.

(S) "ULTIMATE LOSS" MEANS THE ACTUAL LOSS AMOUNTS PAID OR PAYABLE BY A MEMBER OF THE ASSOCIATION CREATED UNDER SECTION 3104. ULTIMATE LOSS DOES NOT INCLUDE CLAIM EXPENSES.

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

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

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

Sec. 3104. (1) THE CATASTROPHIC CLAIMS ASSOCIATION IS CREATED AS AN unincorporated, nonprofit association. to be known as the catastrophic claims association, hereinafter referred to as the
association, is created. Each insurer engaged in writing insurance coverages that provide the security required by section 3101(1) within this state, as a condition of its authority to transact insurance in this state, shall be a member of the association and shall be bound by the plan of operation of the association. Each insurer engaged in writing insurance coverages that provide the security required by section 3103(1) within this state, as a condition of its authority to transact insurance in this state, shall be considered a member of the association, but only for purposes of premiums under subsection (7)(d). Except as expressly provided in this section, the association is not subject to any laws of this state with respect to insurers, but in all other respects the association is subject to the laws of this state to the extent that the association would be if it were an insurer organized and subsisting under chapter 50.

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

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

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

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

(d) For a motor vehicle accident policy issued or renewed during the period July 1, 2004 to June 30, 2005, $350,000.00.
(e) For a motor vehicle accident policy issued or renewed during the period July 1, 2005 to June 30, 2006, $375,000.00.

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

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

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

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

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

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

(l) For a motor vehicle accident policy issued or renewed during the period July 1, 2013 to June 30, 2015, $530,000.00.

(M) For a motor vehicle accident policy issued or renewed during the period July 1, 2015 to June 30, 2017, $545,000.00.

(N) For a motor vehicle accident policy issued or renewed during the period July 1, 2017 to June 30, 2019, $555,000.00.

Beginning July 1, 2013, to 2019, this $500,000.00–$555,000.00 amount shall MUST be increased biennially on July 1 of each odd-numbered year, for policies issued or renewed before July 1 of the following odd-numbered year, by the lesser of 6% or the consumer price index, and rounded to the nearest $5,000.00. This THE ASSOCIATION SHALL calculate the biennial adjustment shall be calculated by the association by January 1 of the year of its July 1 effective date.
(3) An insurer may withdraw from the association only upon ceasing to write insurance that provides the security required by section 3101(1) in this state.

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

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

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

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

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

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

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

(d) In a manner provided for in the plan of operation, calculate and charge to members of the association a total premium sufficient to cover the expected losses and expenses of the association that the association will likely incur during the period for which the premium is applicable. The total premium shall include an amount to cover incurred but not reported losses for the period and may be adjusted for any excess or deficient premiums from previous periods. Excesses or deficiencies from previous periods may either be fully adjusted in a single period or may be adjusted over several periods in a manner provided for in the plan of operation. Each member shall be charged an amount equal to that member's total written car years of insurance providing the security required by section 3101(1) or 3103(1), or both, written in this state during the period to which the premium applies, with the total written car years of insurance multiplied by the applicable average premium per car. The average premium per car shall be the total premium, calculated as adjusted for any
EXCESSES OR DEFICIENCIES, divided by the total written car years of insurance providing the security required by section 3101(1) or 3103(1), OR BOTH, written in this state of all members during the period to which the premium applies, EXCLUDING CARS INSURED UNDER A POLICY WITH A COVERAGE LIMIT UNDER SECTION 3109A(2) (A) OR (B) EXCEPT FOR ANY PORTION OF TOTAL PREMIUM THAT IS AN ADJUSTMENT FOR A DEFICIENCY IN A PREVIOUS PERIOD. A MEMBER MAY NOT BE CHARGED A PREMIUM FOR A CAR INSURED UNDER A POLICY WITH A COVERAGE LIMIT UNDER SECTION 3109A(2) (A) OR (B) OTHER THAN FOR THE PORTION OF THE TOTAL PREMIUM ATTRIBUTABLE TO AN ADJUSTMENT FOR A DEFICIENCY IN A PREVIOUS PERIOD. A member shall—MUST be charged a premium for a historic vehicle that is insured with the member of 20% of the premium charged for a car insured with the member. NOT LESS THAN 60 DAYS BEFORE A CHANGE IN THE TOTAL PREMIUM IS EFFECTIVE, THE ASSOCIATION SHALL PROVIDE THE DIRECTOR OF THE DEPARTMENT WITH A WRITTEN REPORT ON THE NEW PREMIUM AMOUNT, THE CHANGE IN THE PREMIUM AMOUNT FROM THE PREVIOUS PERIOD, AND AN EXPLANATION DETAILING THE REASONS FOR THE CHANGE, INCLUDING A JUSTIFICATION OF ANY ADJUSTMENT FOR ANY EXCESSES OR DEFICIENCIES FROM PREVIOUS PERIODS. As used in this subdivision:

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

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

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

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

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

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

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

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

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

(b) Reinsure all or any portion of its potential liability with reinsurers licensed to transact insurance in this state or approved by the commissioner—DIRECTOR OF THE DEPARTMENT.
(c) Provide for appropriate housing, equipment, and personnel as may be necessary to assure the efficient operation of the association.

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

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

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

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

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

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

(a) The establishment of necessary facilities.

(b) The management and operation of the association.

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

(D) PROCEDURES REQUIRING THAT ANY PORTION OF THE PREMIUM
PAYABLE BY A MEMBER OF THE ASSOCIATION PASSED ON TO AN INSURED FOR
A CAR EQUAL THE PORTION OF THE PREMIUM PAYABLE BY THE MEMBER
ATTRIBUTABLE TO THAT CAR UNDER THIS SECTION, INCLUDING ANY
ADJUSTMENTS FOR EXCESSES OR DEFICIENCIES FROM PREVIOUS PERIODS. AS
USED IN THIS SUBDIVISION AND SUBDIVISION (E), "CAR" MEANS THAT TERM
AS DEFINED IN SUBSECTION (7)(D).

(E) PROCEDURES FOR A REBATE OF A SURPLUS TO MEMBERS OF THE
ASSOCIATION, FOR DISTRIBUTION TO INSUREDS AS PROVIDED IN SUBSECTION
(24), AS ORDERED BY THE DIRECTOR OF THE DEPARTMENT UNDER SUBSECTION
(22) OR AS DIRECTED BY THE ASSOCIATION DURING ANY PERIOD IN WHICH
THE ASSOCIATION CHARGES NO PREMIUM BECAUSE OF EXCESSES FROM
PREVIOUS PERIODS, IF THE REBATE DIRECTED BY THE ASSOCIATION WILL
NOT THREATEN THE ASSOCIATION'S ONGOING ABILITY TO PROVIDE AN
EFFECTIVE REINSURANCE MECHANISM FOR PERSONAL PROTECTION INSURANCE
BENEFITS BASED ON GENERALLY ACCEPTED AND REASONABLE ACTUARIAL
TECHNIQUES. AS USED IN THIS SUBDIVISION, "SURPLUS" MEANS ANY
EXCESSES FROM PREVIOUS PERIODS NOT RESERVED BY THE ASSOCIATION TO
COVER THE EXPECTED LOSSES AND EXPENSES OF THE ASSOCIATION THAT THE
ASSOCIATION LIKELY WILL INCUR DURING THE PERIOD FOR WHICH A PREMIUM
IS APPLICABLE UNDER SUBSECTION (7)(D). SURPLUS DOES NOT INCLUDE
EXCESSES FROM PREVIOUS PERIODS ADJUSTED OVER 5 OR MORE YEARS IN THE
MANNER PROVIDED IN THE PLAN OF OPERATION UNDER SUBSECTION (7)(D).

(F) (d)—Procedures governing the actual payment of premiums to
the association.

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

(H) (f) The investment policy of the association.

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

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

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

(13) The board shall MUST consist of 5 directors, BOARD MEMBERS and the commissioner DIRECTOR OF THE DEPARTMENT, WHO shall serve AS an ex officio member of the board without vote.

(14) Each director THE DIRECTOR OF THE DEPARTMENT shall be appointed by the commissioner and APPOINT THE BOARD MEMBERS. A BOARD MEMBER shall serve until that member’s HIS OR HER successor is selected and qualified. The BOARD SHALL ELECT THE chairperson of the board. A THE DIRECTOR OF THE DEPARTMENT SHALL FILL ANY vacancy on the board shall be filled by
the commissioner consistent with AS PROVIDED IN the plan of
operation.

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

(16) THE BOARD SHALL FURNISH TO EACH MEMBER AN annual
report of the operations of the association in a form and detail as
may be determined by the board. shall be furnished to each member.

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

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

(17) (19) The proposed plan of operation or ANY amendments to
the plan of operation OF THE ASSOCIATION, INCLUDING, BUT NOT
LIMITED TO, ANY CHANGE RELATING TO ADJUSTMENTS FOR EXCESSES OR
DEFICIENCIES UNDER SUBSECTION (7)(D) OR A PROCEDURE UNDER
SUBSECTION (10)(D) OR (10)(E), are subject to majority approval by
the board, RATIFICATION by a majority of the membership OF
THE ASSOCIATION having a vote, with voting rights being apportioned
according to the premiums charged in subsection (7)(d), and are
subject to approval by the commissioner.

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

(19) (21) The association is subject to all the reporting,
loss reserve, and investment requirements of the commissioner
DIRECTOR OF THE DEPARTMENT to the same extent as would IS a member
of the association.
(20) Premiums charged members by the association shall 
MUST be recognized in the rate-making procedures for insurance 
rates in the same manner that expenses and premium taxes are 
recognized.

(21) The commissioner or an 
authorized representative of the commissioner may visit the association at any time and examine any 
and all of the association's affairs. BEGINNING JULY 1, 2018, AND 
EVERY FIFTH YEAR AFTER 2018, THE DIRECTOR OF THE DEPARTMENT SHALL 
ENGAGE 1 OR MORE INDEPENDENT ACTUARIES TO EXAMINE THE AFFAIRS AND 
RECORDS OF THE ASSOCIATION RELATING TO PREMIUMS CHARGED TO MEMBERS 
OF THE ASSOCIATION UNDER SUBSECTION (7)(D), ADJUSTMENTS TO PREMIUMS 
FOR ANY EXCESSES OR DEFICIENCIES UNDER SUBSECTION (7)(D), AND ANY 
REBATES UNDER SUBSECTION (10)(E), DURING THE PREVIOUS 5 YEARS. BY 
DECEMBER 31, 2018 AND BY DECEMBER 31 OF EVERY FIFTH YEAR AFTER 
2018, THE DIRECTOR OF THE DEPARTMENT SHALL REPORT TO THE GOVERNOR 
AND THE STANDING COMMITTEES OF THE SENATE AND HOUSE OF 
REPRESENTATIVES WITH PRIMARY JURISDICTION OVER INSURANCE ISSUES ON 
ALL OF THE FOLLOWING RELATING TO THE 5-YEAR PERIOD ENDING ON THE 
PREVIOUS JUNE 30:

(A) THE ASSOCIATION'S COMPLIANCE WITH THE REQUIREMENTS OF THIS 
SECTION AND ITS PLAN OF OPERATION RELATING TO THE ASSOCIATION'S 
CALCULATION OF PREMIUMS CHARGED UNDER SUBSECTION (7)(D), INCLUDING 
ANY ADJUSTMENTS FOR EXCESSES OR DEFICIENCIES FROM PREVIOUS PERIODS.

(B) THE EXPECTATIONS USED BY THE ASSOCIATION FOR MEDICAL COST 
INFLATION, ECONOMIC CONDITIONS, INVESTMENT RETURN, AND THE NUMBER 
OF CLAIMS PRESENTED TO THE ASSOCIATION.
(C) THE ASSOCIATION'S COMPLIANCE WITH SUBSECTION (10)(D) AND (E).

(D) THE ASSOCIATION'S COMPLIANCE WITH GENERALLY ACCEPTED AND REASONABLE ACTUARIAL TECHNIQUES IN DETERMINING PREMIUM CHARGES AND ANY ADJUSTMENTS FOR EXCESSES OR DEFICIENCIES FROM PRIOR PERIODS UNDER SUBSECTION (7)(D).

(E) THE EFFECT OF ANY REBATE UNDER SUBSECTION (10)(E) AND DISTRIBUTION UNDER SUBSECTION (24) ON THE ASSOCIATION'S ONGOING ABILITY TO PROVIDE AN EFFECTIVE REINSURANCE MECHANISM FOR PERSONAL PROTECTION INSURANCE BENEFITS.


(24) A MEMBER OF THE ASSOCIATION SHALL DISTRIBUTE ANY REBATE IT RECEIVES UNDER SUBSECTION (10)(E) TO THE PERSON THAT IT INSURES UNDER POLICIES THAT PROVIDE THE SECURITY REQUIRED UNDER SECTION 3101(1) OR 3103(1), OR BOTH, ON A UNIFORM BASIS PER CAR IN A MANNER AND ON THE DATE OR DATES PROVIDED BY THE DIRECTOR OF THE DEPARTMENT.
IN ACCORDANCE WITH AN ORDER ISSUED BY THE DIRECTOR. AS USED IN THIS
SUBSECTION, "CAR" MEANS THAT TERM AS DEFINED IN SUBSECTION (7)(D).
(25) (24) The association does not have liability for losses
occurring before July 1, 1978. AFTER JUNE 30, 2018, THE ASSOCIATION
DOES NOT HAVE LIABILITY FOR AN ULTIMATE LOSS UNDER PERSONAL
PROTECTION INSURANCE COVERAGE FOR A MOTOR VEHICLE ACCIDENT POLICY
IF A COVERAGE LIMIT UNDER SECTION 3109A(2)(A) OR (B) IS EFFECTIVE
FOR THE POLICY AT THE TIME OF THE ULTIMATE LOSS. AN ULTIMATE LOSS
IS INCURRED BY THE ASSOCIATION ON THE DATE THAT THE ULTIMATE LOSS
OCCURS.
(26) FOR PURPOSES OF THIS SECTION, THE DATE THAT A MOTOR
VEHICLE ACCIDENT POLICY IS ISSUED OR RENEWED IS THE EFFECTIVE DATE
OF PERSONAL PROTECTION INSURANCE COVERAGE UNDER THE POLICY.
(27) (25) As used in this section:
(A) "ASSOCIATION" MEANS THE CATASTROPHIC CLAIMS ASSOCIATION
CREATED IN SUBSECTION (1).
(B) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE ASSOCIATION
CREATED IN SUBSECTION (9).
(C) (a) "Consumer price index" means the percentage of change
in the consumer price index for all urban consumers in the United
States city average for all items for the 24 months prior to BEFORE
October 1 of the year prior to BEFORE the July 1 effective date of
the biennial adjustment under subsection (2)(k)(2)(N) as reported
by the United States department of labor, bureau of labor
statistics, DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, and as
certified by the commissioner, DIRECTOR OF THE DEPARTMENT.
(D) (b) "Motor vehicle accident policy" means a policy
providing the coverages required under section 3101(1).

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

Sec. 3107. (1) Except as provided in subsection (2), THIS SECTION AND SECTIONS 3107A TO 3107C, personal protection insurance benefits are payable for the following:

(a) Allowable expenses consisting of all reasonable charges incurred, UP TO ANY COVERAGE LIMIT APPLICABLE UNDER THIS SECTION OR SECTION 3109A, for reasonably necessary products, services and accommodations for an injured person's care, recovery, or rehabilitation. Allowable expenses within personal protection insurance coverage shall not include either ANY of the following:

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

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

(iii) A CHARGE THAT IS NOT RELATED TO OR NECESSITATED BY THE INJURY COVERED BY THE PERSONAL PROTECTION BENEFITS.

(b) Work loss consisting of loss of income from work an injured person would have performed during the first 3 years after the date of the accident if he or she had not been injured. Work loss does not include any loss after the date on which the injured
person dies. Because the benefits received from personal protection insurance for loss of income are not taxable income, the benefits payable for such loss of income shall *MUST* be reduced 15% unless the claimant presents to the insurer in support of his or her claim reasonable proof of a lower value of the income tax advantage in his or her case, in which case the lower value shall apply. *MUST BE APPLIED.* For the period beginning October 1, 2012 through September 30, 2013, the benefits payable for work loss sustained in a single 30-day period and the income earned by an injured person for work during the same period together shall *MUST* not exceed $5,189.00, which maximum shall apply *MUST BE APPLIED* pro rata to any lesser period of work loss. Beginning October 1, 2013, the maximum shall *MUST* be adjusted annually to reflect changes in the cost of living under rules prescribed by the commissioner—DIRECTOR, but any change in the maximum shall *APPLIES* only to benefits arising out of accidents occurring subsequent to *AN ACCIDENT THAT OCCURS AFTER* the date of change in the maximum.

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

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

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

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

(C) AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE FOR MORE
THAN A CUMULATIVE 56 HOURS PER INJURED PERSON PER WEEK OF ATTENDANT
CARE IN THE HOME IF THE ATTENDANT CARE IS PROVIDED DIRECTLY, OR
INDIRECTLY THROUGH ANOTHER PERSON, BY ANY OF THE FOLLOWING:

(i) A RELATED PERSON OF THE INJURED PERSON.

(ii) A PERSON DOMICILED IN THE HOUSEHOLD OF THE INJURED
PERSON.

(iii) A PERSON WITH WHOM THE INJURED PERSON HAD A BUSINESS OR
SOCIAL RELATIONSHIP BEFORE THE INJURY.

(D) AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE FOR GROUND
TRANSPORTATION SERVICES OTHER THAN AMBULANCE SERVICES DESCRIBED IN
SUBDIVISION (E) IN AN AMOUNT THAT EXCEEDS 300% OF THE OPTIONAL
STANDARD MILEAGE RATE PROVIDED BY THE INTERNAL REVENUE SERVICE FOR
USE IN CALCULATING THE DEDUCTIBLE COST OF OPERATING AN AUTOMOBILE
FOR MEDICAL CARE DESCRIBED IN SECTION 213 OF THE INTERNAL REVENUE
CODE OF 1986, 26 USC 213. EVERY SECOND YEAR AFTER DECEMBER 31,
2020, THE DIRECTOR SHALL REVIEW ANY CHANGES TO THE OPTIONAL
STANDARD MILEAGE RATE PROVIDED BY THE INTERNAL REVENUE SERVICE FOR USE IN CALCULATING THE DEDUCTIBLE COST OF OPERATING AN AUTOMOBILE FOR MEDICAL CARE DESCRIBED IN SECTION 213 OF THE INTERNAL REVENUE CODE, 26 USC 213. IF THE DIRECTOR DETERMINES THAT THE CHANGES TO THE OPTIMAL STANDARD MILEAGE RATE PROVIDED BY THE INTERNAL REVENUE SERVICE ARE REASONABLE AND APPROPRIATE FOR PURPOSES OF ASSURING AFFORDABLE AUTOMOBILE INSURANCE IN THIS STATE, THE CHANGES APPLY FOR PURPOSES OF THIS SUBDIVISION AND THE DIRECTOR SHALL ISSUE AN ORDER TO THAT EFFECT.

(E) AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE FOR AMBULANCE SERVICES, INCLUDING, BUT NOT LIMITED TO, AIR AMBULANCE SERVICES, IN AN AMOUNT THAT EXCEEDS THE AMOUNT THAT WOULD BE ALLOWABLE FOR THE AMBULANCE SERVICES UNDER THE AMBULANCE FEE SCHEDULE APPLICABLE TO AMBULANCE SERVICES UNDER PART B OF THE FEDERAL MEDICARE PROGRAM ESTABLISHED UNDER TITLE XVIII OF THE SOCIAL SECURITY ACT, 42 USC 1395 TO 1395lll. EVERY SECOND YEAR AFTER DECEMBER 31, 2020, THE DIRECTOR SHALL REVIEW ANY CHANGES TO AMOUNTS PAYABLE UNDER THE AMBULANCE FEE SCHEDULE APPLICABLE TO AMBULANCE SERVICES UNDER PART B OF THE FEDERAL MEDICARE PROGRAM ESTABLISHED UNDER SUBCHAPTER XVIII OF THE SOCIAL SECURITY ACT, 42 USC 1395 TO 1395lll. IF THE DIRECTOR DETERMINES THAT THE CHANGES TO AMOUNTS PAYABLE UNDER THE AMBULANCE FEE SCHEDULE APPLICABLE TO AMBULANCE SERVICES UNDER PART B ARE REASONABLE AND APPROPRIATE FOR PURPOSES OF ASSURING AFFORDABLE AUTOMOBILE INSURANCE IN THIS STATE, THE CHANGES APPLY FOR PURPOSES OF THIS SUBDIVISION AND THE DIRECTOR SHALL ISSUE AN ORDER TO THAT EFFECT.

(F) A CLAIM FOR GROUND TRANSPORTATION SERVICES OR AMBULANCE

(3) WITH RESPECT TO PERSONAL PROTECTION INSURANCE BENEFITS FOR ATTENDANT CARE IN THE HOME, GROUND TRANSPORTATION SERVICES DESCRIBED IN SUBSECTION (2)(D), AND AMBULANCE SERVICES DESCRIBED IN SUBSECTION (2)(E), AN INSURER IS ONLY REQUIRED TO PAY REASONABLE CHARGES INCURRED FOR REASONABLY NECESSARY PRODUCTS, SERVICES, AND ACCOMMODATIONS FOR AN INJURED PERSON'S CARE, RECOVERY, OR REHABILITATION RELATED TO AND NECESSITATED BY THE INJURY COVERED BY THE PERSONAL PROTECTION INSURANCE BENEFITS, UP TO ANY COVERAGE LIMIT APPLICABLE UNDER SUBSECTION (2) OR SECTION 3109A.

(4) SUBSECTION (2)(C) DOES NOT PROHIBIT AN INSURER FROM PAYING PERSONAL PROTECTION INSURANCE BENEFITS FOR MORE THAN 56 HOURS PER WEEK OF ATTENDANT CARE PROVIDED IN THE HOME BY A PERSON DESCRIBED IN SUBSECTION (2)(C)(i) TO (iii).

SEC. 3107C. (1) FOR INSURANCE POLICIES ISSUED OR RENEWED AFTER JUNE 30, 2018, A QUALIFIED PERSON WHO IS AN INSURED PERSON UNDER THE POLICY IS NOT ENTITLED TO PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107(1)(A) UNLESS THE QUALIFIED PERSON AFFIRMATIVELY ELECTS TO PURCHASE PERSONAL PROTECTION INSURANCE BENEFITS COVERAGE UNDER THIS SECTION.

(2) FOR AUTOMOBILE INSURANCE POLICIES ISSUED OR RENEWED AFTER JUNE 30, 2018, EACH PERSON WHO IS 62 YEARS OF AGE OR OLDER SHALL
COMPLETE A FORM, APPROVED BY THE DIRECTOR, TO CERTIFY WHETHER HE OR SHE IS A QUALIFIED PERSON. THE FORM ALSO MUST PROVIDE A QUALIFIED PERSON THE OPTION TO PURCHASE PERSONAL PROTECTION INSURANCE BENEFITS FOR THE QUALIFIED PERSON NOTWITHSTANDING HIS OR HER STATUS AS A QUALIFIED PERSON AND DISCLOSE IN A CONSPICUOUS MANNER THAT A QUALIFIED PERSON IS NOT OBLIGATED TO PURCHASE PERSONAL PROTECTION INSURANCE COVERAGE FOR THE QUALIFIED PERSON.

(3) A QUALIFIED PERSON WHO OPTS TO PURCHASE PERSONAL PROTECTION INSURANCE UNDER THIS SECTION SHALL SELECT A COVERAGE LEVEL UNDER SECTION 3109A(2). IF A QUALIFIED PERSON DOES NOT OPT TO PURCHASE PERSONAL PROTECTION INSURANCE BENEFITS FOR THE QUALIFIED PERSON, THE AUTOMOBILE INSURANCE POLICY MUST INCLUDE PERSONAL PROTECTION INSURANCE PAYABLE UNDER THE POLICY ONLY FOR OTHER PERSONS WHO HAVE A RIGHT TO CLAIM PERSONAL PROTECTION INSURANCE BENEFITS UNDER THE POLICY UP TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(A) AND NOT FOR THE QUALIFIED PERSON.

(4) AN INSURER SHALL OFFER A REDUCED AUTOMOBILE INSURANCE PREMIUM RATE FOR ANY AUTOMOBILE INSURANCE POLICY THAT EXCLUDES PERSONAL PROTECTION INSURANCE COVERAGE FOR A QUALIFIED PERSON UNDER THIS SECTION.

(5) IF AN INSURED IS 62 YEARS OF AGE OR OLDER AND DOES NOT PROVIDE AN INSURER WITH THE FORM REQUIRED BY THIS SECTION, THE INSURED SHALL PURCHASE AUTOMOBILE INSURANCE WITH PERSONAL PROTECTION INSURANCE COVERAGE AS OTHERWISE PROVIDED UNDER THIS CHAPTER.

(6) IF A QUALIFIED PERSON PROVIDES THE CERTIFICATION REQUIRED UNDER THIS SECTION TO AN INSURER AND DOES NOT OPT TO PURCHASE
PERSONAL PROTECTION INSURANCE BENEFITS IN COMPLIANCE WITH THIS
SECTION, THE INSURER IS DISCHARGED FROM ANY LIABILITY FOR PERSONAL
PROTECTION INSURANCE BENEFITS UNDER THIS CHAPTER FOR THE QUALIFIED
PERSON.

(7) AS USED IN THIS SECTION:

(A) "QUALIFIED HEALTH COVERAGE" MEANS HEALTH INSURANCE OR
HEALTH BENEFITS THAT SATISFY BOTH OF THE FOLLOWING REQUIREMENTS:

(i) THE HEALTH INSURANCE OR HEALTH BENEFITS ARE PROVIDED UNDER
A PRIVATE OR PUBLIC RETIREMENT PROGRAM FOR THE REMAINDER OF THE
QUALIFIED PERSON'S LIFE.

(ii) COVERAGE IS INCLUDED FOR ACCIDENTAL BODILY INJURY ARISING
OUT OF THE OWNERSHIP, OPERATION, MAINTENANCE, OR USE OF A MOTOR
VEHICLE AS A MOTOR VEHICLE.

(B) "QUALIFIED PERSON" MEANS A PERSON WHO IS 62 YEARS OF AGE
OR OLDER WHO HAS QUALIFIED HEALTH COVERAGE.

Sec. 3109a. (1) An insurer providing personal protection
insurance benefits under this chapter may offer, at appropriately
reduced premium rates, deductibles and exclusions reasonably
related to other health and accident coverage on the insured. Any
deductibles and exclusions offered under this section are subject
to prior approval by the commissioner—DIRECTOR and shall—MUST apply
only to benefits payable to the INSURED person named in the policy,
the spouse of the insured PERSON, and any relative of either
domiciled in the same household.

(2) FOR AN INSURANCE POLICY THAT PROVIDES PERSONAL PROTECTION
INSURANCE BENEFITS AND IS ISSUED OR RENEWED AFTER JUNE 30, 2018,
THE INSURED PERSON NAMED IN THE POLICY SHALL SELECT 1 OF THE
FOLLOWING COVERAGE LEVELS FOR THE PERSONAL PROTECTION INSURANCE

   BENEFITS:

   (A) A LIMIT OF $250,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE,
      CONSISTING OF both OF THE FOLLOWING:

      (i) UP TO $225,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE FOR
      AN EMERGENCY MEDICAL CONDITION AND RELATED EMERGENCY CARE ONLY.

      (ii) UP TO $25,000.00 PER INDIVIDUAL FOR ALL OTHER PERSONAL
      PROTECTION INSURANCE BENEFITS UNDER THIS CHAPTER.

   (B) A LIMIT OF $500,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE
      ON PERSONAL PROTECTION INSURANCE BENEFITS UNDER THIS CHAPTER.

   (C) NO MAXIMUM LIMIT PER INDIVIDUAL PER LOSS OCCURRENCE ON
      PERSONAL PROTECTION INSURANCE BENEFITS UNDER THIS CHAPTER.

   (3) ALL OF THE FOLLOWING APPLY TO SUBSECTION (2):

      (A) IF AN INSURED PERSON NAMED IN THE POLICY DOES NOT SELECT
      IN WRITING ON A FORM APPROVED BY THE DIRECTOR 1 OF THE COVERAGE
      LEVELS UNDER SUBSECTION (2), NO MAXIMUM LIMIT ON PERSONAL
      PROTECTION INSURANCE BENEFITS UNDER THIS CHAPTER APPLIES UNDER THE
      POLICY. HOWEVER, IF AN INSURED PERSON NAMED IN THE POLICY HAS
      PREVIOUSLY SELECTED AS PROVIDED IN THIS SUBDIVISION 1 OF THE 2
      COVERAGE LEVELS UNDER SUBSECTION (2) AND DOES NOT, BEFORE RENEWAL
      OF THE POLICY, SELECT A DIFFERENT COVERAGE LEVEL IN WRITING ON A
      FORM APPROVED BY THE DIRECTOR, THE COVERAGE LEVEL APPLICABLE BEFORE
      THE RENEWAL APPLIES UNDER THE POLICY.

      (B) IF THE INSURED PERSON NAMED IN THE POLICY SELECTS A
      COVERAGE LIMIT UNDER SUBSECTION (2)(A) OR (B), THE COVERAGE LIMIT
      UNDER SUBSECTION (2)(A) OR (B) APPLIES TO PERSONAL PROTECTION
      INSURANCE BENEFITS PAYABLE UNDER THE POLICY TO THE INSURED PERSON,
THE INSURED PERSON'S SPOUSE, A RELATIVE OF EITHER DOMICILED IN THE
SAME HOUSEHOLD, AND ANY OTHER PERSON WITH A RIGHT TO CLAIM PERSONAL
PROTECTION INSURANCE BENEFITS UNDER THE POLICY.

(C) IF THE INSURED PERSON NAMED IN THE POLICY DOES NOT SELECT
A COVERAGE LIMIT UNDER SUBSECTION (2)(A) OR (B) FOR A POLICY, NO
MAXIMUM LIMIT APPLIES TO PERSONAL PROTECTION INSURANCE BENEFITS
PAYABLE UNDER THE POLICY TO THE INSURED PERSON, THE INSURED
PERSON'S SPOUSE, A RELATIVE OF EITHER DOMICILED IN THE SAME
HOUSEHOLD, OR ANY OTHER RESIDENT OF THIS STATE WITH A RIGHT TO
CLAIM PERSONAL PROTECTION BENEFITS UNDER THE POLICY. THE COVERAGE
LIMIT UNDER SECTION 3163(4) APPLIES TO A NONRESIDENT OF THIS STATE
WITH A RIGHT TO CLAIM PERSONAL PROTECTION BENEFITS UNDER THE POLICY
IF THE NONRESIDENT IS NOT THE INSURED NAMED IN THE POLICY, THE
INSURED PERSON'S SPOUSE, OR A RELATIVE OF EITHER DOMICILED IN THE
SAME HOUSEHOLD.

(D) IF THE COVERAGE LIMIT UNDER SUBSECTION (2)(A) OR (B) OR
SECTION 3163(4) APPLIES TO A PERSON CLAIMING PERSONAL PROTECTION
INSURANCE BENEFITS, THE COVERAGE LIMIT APPLIES ON A PER OCCURRENCE
PER LOSS BASIS NOTWITHSTANDING THE NUMBER OF POLICIES APPLICABLE TO
THE OCCURRENCE OR THE LOSS.

(E) OTHER LIMITS ON PERSONAL PROTECTION INSURANCE BENEFITS
PROVIDED IN THIS CHAPTER, INCLUDING, BUT NOT LIMITED TO, LIMITS
UNDER SECTION 3163, CONTINUE TO APPLY TO PERSONAL PROTECTION
INSURANCE BENEFITS COVERAGE NOTWITHSTANDING THE APPLICABILITY OF A
COVERAGE LIMIT UNDER THIS SECTION.

(4) FOR PURPOSES OF THIS SECTION, THE DATE THAT A POLICY IS
ISSUED OR RENEWED IS THE EFFECTIVE DATE OF BOTH THE PERSONAL
PROTECTION INSURANCE COVERAGE UNDER THE POLICY AND THE COVERAGE LEVEL APPLICABLE UNDER THIS SECTION.

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

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

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

(c) The person was not a resident of this state, was an occupant of a motor vehicle or motorcycle not registered in this state, and the motor vehicle or motorcycle was not insured by an insurer that has filed a certification in compliance with section 3163.

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

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

(F) THE PERSON WAS A QUALIFIED PERSON WHO DID NOT PURCHASE PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3107C.

Sec. 3114. (1) Except as provided in subsections (2), (3), and
(5), a personal protection insurance policy described in section 3101(1) applies to accidental bodily injury to the person named in the policy, the person's spouse, and a relative of either domiciled in the same household, if the injury arises from a motor vehicle accident. A personal injury insurance policy described in section 3103(2) applies to accidental bodily injury to the person named in the policy, the person's spouse, and a relative of either domiciled in the same household, if the injury arises from a motorcycle accident. If personal protection insurance benefits or personal injury benefits described in section 3103(2) are payable to or for the benefit of an injured person under his or her own policy and would also be payable under the policy of his or her spouse, relative, or relative's spouse, the injured person's insurer shall pay all of the benefits and is not entitled to recoupment from the other insurer. EXCEPT AS PROVIDED IN SECTION 3107C, A COVERAGE LIMIT APPLICABLE TO A PERSONAL PROTECTION INSURANCE POLICY UNDER SECTION 3109A(2) APPLIES TO PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE FOR ACCIDENTAL BODILY INJURY TO THE PERSON NAMED IN THE POLICY, THE PERSON'S SPOUSE, AND A RELATIVE OF EITHER DOMICILED IN THE SAME HOUSEHOLD, IF THE INJURY ARISES FROM A MOTOR VEHICLE ACCIDENT.

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

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

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

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

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

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

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

(g) A transportation network company vehicle.

(3) An employee, his or her spouse, or a relative of either domiciled in the same household, who suffers accidental bodily injury while an occupant of a motor vehicle owned or registered by the employer, shall receive personal protection insurance benefits to which the employee is entitled from the insurer of the furnished vehicle.

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

(a) The insurer of the owner or registrant of the vehicle occupied.
(b) The insurer of the operator of the vehicle occupied.

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

(a) The insurer of the owner or registrant of the motor vehicle involved in the accident, SUBJECT TO THE APPLICABLE COVERAGE LEVEL FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER

SECTION 3109A(2).

(b) The insurer of the operator of the motor vehicle involved in the accident, SUBJECT TO THE APPLICABLE COVERAGE LEVEL FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER SECTION 3109A(2).

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

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

(6) If 2 or more insurers are in the same order of priority to provide personal protection insurance benefits under subsection (5), an insurer paying benefits due is entitled to partial recoupment from the other insurers in the same order of priority, and a reasonable amount of partial recoupment of the expense of processing the claim, in order to accomplish equitable distribution of the loss among all of the insurers, SUBJECT TO THE APPLICABLE COVERAGE LEVEL FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER

SECTION 3109A(2).

(7) NOTWITHSTANDING ANYTHING IN THIS CHAPTER TO THE CONTRARY,
A COVERAGE LIMIT UNDER SECTION 3109A(2) OR SECTION 3163(4) APPLIES ON A PER OCCURRENCE PER LOSS BASIS NOTWITHSTANDING THE NUMBER OF POLICIES APPLICABLE TO THE OCCURRENCE OR THE LOSS.

(8) As used in this section:

(a) "Personal vehicle", "prearranged ride", and "transportation network company digital network" mean those terms as defined in section 2 of the limousine, taxicab, and transportation network company act, 2016 PA 345, MCL 257.2102.

(b) "Transportation network company vehicle" means a personal vehicle while the driver is logged on to the transportation network company digital network or while the driver is engaged in a prearranged ride.

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

(2) For a cause of action for damages pursuant to subsection (1) filed on or after July 26, 1996, all of the following apply:

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

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

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

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

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

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

(D) THE ISSUE OF WHETHER THE INJURED PERSON HAS SUSTAINED A
SERIOUS IMPAIRMENT OF BODILY FUNCTION IS FACT-SPECIFIC AND MUST BE
DETERMINED ON A CASE-BY-CASE BASIS.

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

(a) Intentionally caused harm to persons or property. Even
though a person knows that harm to persons or property is
substantially certain to be caused by his or her act or omission,
the person does not cause or suffer that harm intentionally if he
or she acts or refrains from acting for the purpose of averting
injury to any person, including himself or herself, or for the
purpose of averting damage to tangible property.
(b) Damages for noneconomic loss as provided and limited in subsections (1) and (2).

(c) Damages for allowable expenses, work loss, and survivor's loss as defined in sections 3107 to 3110 in excess of the daily, monthly, and 3-year limitations contained in those sections. The party liable for damages is entitled to an exemption reducing his or her liability by the amount of taxes that would have been payable on account of income the injured person would have received if he or she had not been injured.

(d) Damages for economic loss by a nonresident in excess of the personal protection insurance benefits provided under section 3163(4). Damages under this subdivision are not recoverable to the extent that benefits covering the same loss are available from other sources, regardless of the nature or number of benefit sources available and regardless of the nature or form of the benefits.

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

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

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

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

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

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

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

(5) As used in this section, "serious impairment of body function" means an **IMPAIRMENT THAT SATISFIES ALL OF THE FOLLOWING REQUIREMENTS:**

(A) IT IS objectively manifested, **MEANING IT IS OBSERVABLE OR PERCEIVABLE FROM ACTUAL SYMPTOMS OR CONDITIONS.**

(B) IT IS AN impairment of an important body function, **THAT WHICH IS A BODY FUNCTION OF VALUE, SIGNIFICANCE, OR CONSEQUENCE TO THE INJURED PERSON.**

(C) IT affects the **INJURED** person's general ability to lead his or her normal life, **MEANING IT INFLUENCES THE INJURED PERSON'S CAPACITY TO LIVE IN HIS OR HER NORMAL MANNER OF LIVING.**

Sec. 3142. (1) **PERSONAL SUBJECT TO SUBSECTION 3157, PERSONAL** protection insurance benefits are payable as loss accrues.

(2) Personal protection insurance benefits are overdue if not paid within 30 days after an insurer receives reasonable proof of the fact and of the amount of loss sustained **AND ANY APPLICABLE**
REQUIREMENT UNDER SECTION 3157 IS SATISFIED. If ANY APPLICABLE
REQUIREMENT UNDER SECTION 3157 IS SATISFIED BUT reasonable proof is
not supplied as to the entire claim, the amount supported by
reasonable proof is overdue if not paid within 30 days after the
proof is received by the insurer. Any part of the remainder of the
claim that is later supported by reasonable proof is overdue if not
paid within 30 days after the proof is received by the insurer. For
the purpose of calculating the extent to which benefits are
overdue, payment MUST be treated as made on the date a draft
or other valid instrument was placed in the United States mail in a
properly addressed, postpaid envelope or, if not so posted, on the
date of delivery.

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

(4) A PAYMENT IS NOT OVERDUE IF THE INSURER HAS REASONABLE
PROOF THAT THE INSURER IS NOT RESPONSIBLE FOR THE PAYMENT.

Sec. 3148. (1) AN ATTORNEY MAY BE AWARDED a reasonable fee for
advising and representing a claimant in an action for personal or
property protection insurance benefits which are overdue. The
attorney's fee shall be a charge against the insurer in addition
to the benefits recovered, if the court finds that the insurer
unreasonably refused to pay the claim or unreasonably delayed in
making proper payment. AN ATTORNEY ADVISING OR REPRESENTING AN
INJURED PERSON CONCERNING A CLAIM FOR PAYMENT OF PERSONAL
PROTECTION INSURANCE BENEFITS FROM AN INSURER SHALL NOT CLAIM,
FILE, OR SERVE A LIEN FOR PAYMENT OF A FEE OR FEES UNTIL ALL OF THE
FOLLOWING APPLY:

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

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

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

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

(2) IF AN ATTORNEY CLAIMS, FILES, SERVES, OR ENFORCES A LIEN IN A MANNER PROHIBITED BY SUBSECTION (1), AN INSURER OR OTHER PERSON AGGRIEVED BY THE LIEN IS ENTITLED TO COURT COSTS AND REASONABLE ATTORNEY FEES RELATED TO OPPOSITION OF THE IMPOSITION OF THE LIEN.

(3) A COURT MAY AWARD AN insurer may be allowed by a court an award of a reasonable amount against a claimant as an attorney's fee for the insurer's attorney in defense defending against any of the following:

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

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

(C) A CLAIM FOR WHICH THE CLIENT WAS SOLICITED BY THE ATTORNEY IN VIOLATION OF THE LAW OF THIS STATE OR THE MICHIGAN RULES OF PROFESSIONAL CONDUCT.
(4) To the extent that personal or property protection 
insurance benefits are then due or thereafter come due to the 
claimant because of loss resulting from the injury on which the 
claim is based, such an attorney fee awarded in favor of the 
insurer may be treated as an offset against such the 
benefits. Also, judgment may also be entered against the 
claimant for any amount of an attorney fee awarded against him 
and that is not offset in this way against benefits or otherwise 
paid.

(5) For a dispute over payment for allowable expenses under 
section 3107(1)(a) for attendant care or nursing services, attorney 
fees may be awarded in relation to expenses recovered for the 12 
months preceding the date the insurer is notified of the dispute. 
Attorney fees must not be awarded in relation to expenses paid 
after the date the insurer is notified of the dispute, including 
any future payments ordered after the judgment is entered.

(6) A court shall not award a fee to an attorney for advising 
or representing a claimant in an action for personal or property 
protection insurance benefits for a treatment, product, service, 
rehabilitative occupational training, or accommodation provided to 
the claimant if the attorney or a related person of the attorney 
has, or had at the time the treatment, product, service, 
rehabilitative occupational training, or accommodation was 
provided, a direct or indirect financial interest in the person 
that provided the treatment, product, service, rehabilitative 
occupational training, or accommodation. For purposes of this 
subsection, a direct or indirect financial interest exists if the
PERSON THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION MAKES A DIRECT OR INDIRECT PAYMENT OR GRANTS A FINANCIAL INCENTIVE TO THE ATTORNEY OR A RELATED PERSON OF THE ATTORNEY RELATING TO THE TREATMENT, PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION WITHIN 24 MONTHS BEFORE OR AFTER THE TREATMENT, PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION IS PROVIDED.

Sec. 3157. (1) A SUBJECT TO SUBSECTIONS (2) TO (5), A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR INSTITUTION LAWFULLY RENDERING TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS TO AN INJURED PERSON FOR AN ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE, AND A PERSON OR INSTITUTION PROVIDING REHABILITATIVE OCCUPATIONAL TRAINING TO THE INJURED PERSON FOLLOWING THE INJURY, MAY CHARGE A REASONABLE AMOUNT FOR THE TREATMENT, TRAINING, PRODUCTS, SERVICES, AND ACCOMMODATIONS RENDERED. THE CHARGE SHALL MUST NOT EXCEED THE AMOUNT THE PERSON OR INSTITUTION CUSTOMARILY CHARGES FOR LIKE TREATMENT, TRAINING, PRODUCTS, SERVICES, AND ACCOMMODATIONS IN CASES NOT INVOLVING THAT DO NOT INVOLVE PERSONAL PROTECTION INSURANCE. A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR INSTITUTION THAT RECEIVED PAYMENT OR REIMBURSEMENT OF THE AMOUNT AUTHORIZED UNDER THIS CHAPTER FOR A TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION OF AN INJURED PERSON FOR AN ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE SHALL NOT CHARGE OR BILL THE INJURED PERSON ANY REMAINING BALANCE OR OTHER ADDITIONAL AMOUNT FOR THE TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION.
(2) A physician, hospital, clinic, or other person or institution that renders a treatment, training, product, service, or accommodation to an injured person for an accidental bodily injury that is an emergency medical condition or rendering related emergency care is not eligible for payment or reimbursement under this chapter of more than 125% of the amount payable for the treatment, training, product, service, or accommodation under Part A, B, or D of the Federal Medicare Program established under Subchapter XVIII of the Social Security Act, 42 USC 1395 to 1395lll. Except as provided in subsection (3), in all other circumstances a physician, hospital, clinic, or other person or institution rendering a treatment, product, service, or accommodation to an injured person for accidental bodily injury covered by personal protection insurance, and a person or institution providing rehabilitative occupational training to the injured person following the injury, is not eligible for payment or reimbursement under this chapter for more than the amount payable for the treatment, training, product, service, or accommodation under Part A, B, or D of the Federal Medicare Program established under Subchapter XVIII of the Social Security Act, 42 USC 1395 to 1395lll. Every year after December 31, 2020, the director shall review any changes to amounts payable under Part A, B, or D of the Federal Medicare Program established under Subchapter XVIII of the Social Security Act, 42 USC 1395 to 1395lll. If the director determines that the changes are reasonable and appropriate for purposes of assuring affordable automobile insurance in this state, the changes apply for purposes of this subsection and the director
SHALL ISSUE AN ORDER TO THAT EFFECT.

(3) IF PART A, B, OR D OF THE FEDERAL MEDICARE PROGRAM

ESTABLISHED UNDER SUBCHAPTER XVIII OF THE SOCIAL SECURITY ACT, 42

USC 1395 TO 1395lll, DOES NOT PROVIDE AN AMOUNT PAYABLE FOR

TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION RENDERED TO

AN INJURED PERSON FOR ACCIDENTAL BODILY INJURY COVERED BY PERSONAL

PROTECTION INSURANCE OR REHABILITATIVE OCCUPATIONAL TRAINING TO THE

INJURED PERSON FOLLOWING THE INJURY, THE PHYSICIAN, HOSPITAL,

CLINIC, OR OTHER PERSON OR INSTITUTION THAT RENDERS THE TREATMENT,

PRODUCT, SERVICE, OR ACCOMMODATION IS NOT ELIGIBLE FOR PAYMENT OR

REIMBURSEMENT UNDER THIS CHAPTER OF MORE THAN THE AVERAGE AMOUNT

ACCEPTED BY THE PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR

INSTITUTION AS PAYMENT OR REIMBURSEMENT IN FULL FOR THE TREATMENT,

TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION DURING THE PRECEDING

CALENDAR YEAR.

(4) BY RENDERING ANY TREATMENT, PRODUCTS, SERVICES, OR

ACCOMMODATIONS TO 1 OR MORE INJURED PERSONS FOR AN ACCIDENTAL

BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE BENEFITS

COVERAGE UNDER THIS CHAPTER AFTER THE EFFECTIVE DATE OF THE

AMENDATORY ACT THAT ADDED THIS SUBSECTION, A PHYSICIAN, HOSPITAL,

CLINIC, OR OTHER PERSON OR INSTITUTION IS CONSIDERED TO HAVE AGREED

TO TIMELY SUBMIT TO AN INSURER, THE ASSOCIATION CREATED UNDER

SECTION 3104, OR THE DEPARTMENT ALL INFORMATION RELATING TO A

TREATMENT, PRODUCT, SERVICE, OR ACCOMMODATION PROVIDED TO AN

INJURED PERSON FOR ACCIDENTAL BODILY INJURY COVERED BY PERSONAL

PROTECTION INSURANCE AND RELATING TO AN AVERAGE AMOUNT ACCEPTED FOR

THE TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION UNDER
SUBSECTION (3), INCLUDING, BUT NOT LIMITED TO, ALL OF THE FOLLOWING:

(A) DIAGNOSES.

(B) SCANS AND X-RAYS.

(C) NOTES OF PHYSICIANS, NURSES, AND OTHER PROVIDERS.

(D) PROGRESS, PSYCHIATRIC, OR OTHER NOTES.

(E) PATIENT HISTORY AND PHYSICAL REPORTS.

(F) REPORTS AND RECORDS RELATING TO CONSULTATIONS, AUTOPSIES, OPERATIONS, LABORATORY WORK, SURGERIES, RECOVERY ROOM ACTIVITIES, AND ELECTROENCEPHALOGRAMS.

(G) INCIDENT, TRIAGE, AND PHARMACY REPORTS AND RECORDS.

(H) DOCUMENTATION RELATING TO THERAPY, INCLUDING, BUT NOT LIMITED TO, INTRAVENOUS THERAPY, OCCUPATIONAL OR PHYSICAL THERAPY, RESPIRATORY THERAPY, AND SPEECH THERAPY.

(I) DOCUMENTS RELATING TO BILLING AND FORMS AND DOCUMENTS RELATING TO THE COMPUTATION OF CHARGES AND BILLING, INCLUDING, BUT NOT LIMITED TO, FORM CMS-1450, FORM CMS-1500, AND Form UB-04.

(J) A DETERMINATION OF AN EMERGENCY MEDICAL CONDITION OR RELATED EMERGENCY CARE.

(5) A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR INSTITUTION THAT RENDERS A TREATMENT, PRODUCT, SERVICE, OR ACCOMMODATION TO AN INJURED PERSON FOR ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE, AND A PERSON OR INSTITUTION THAT PROVIDES REHABILITATIVE OCCUPATIONAL TRAINING TO THE INJURED PERSON FOLLOWING THE INJURY, IS NOT ELIGIBLE FOR PAYMENT OR REIMBURSEMENT UNDER THIS CHAPTER FOR ANY OF THE FOLLOWING:
(A) A request for payment for a treatment, training, product, service, or accommodation rendered if the request for payment is based on the use of false or misleading records or information.

(B) A treatment, training, product, service, or accommodation that is not usually associated with, is materially longer in duration than, is materially more frequent than, or extends over a materially greater number of days than that treatment, training, product, service, or accommodation usually required for a patient with the diagnosis or condition of the injured person if no specific written justification of the medical necessity of that treatment, training, product, service, or accommodation is included in the patient record for the injured person.

(C) A treatment as to which evidence provided to the physician, hospital, clinic, or other person or institution that renders the treatment, product, service, or accommodation to an injured person for accidental bodily injury covered by personal protection insurance, or to the person or institution that provides rehabilitative occupational training to the injured person, indicates that the treatment, product, service, or accommodation was not medically necessary given the physical capabilities of the injured person.

(6) If a person pays for or reimburses an amount not authorized under subsection (5), the person may request a refund of the amount paid. If the unauthorized amount is not refunded within 30 days, interest on the amount refundable must be paid to the person at the rate of 1% of the amount of the refund owed per month. In a proceeding to recover money owed under this subsection,
THE PERSON MAY RECOVER COURT COSTS AND ATTORNEY FEES INCURRED IN SEEKING PAYMENT OF THE MONEY OWED.

(7) IF AFTER A HEARING CONDUCTED UNDER RULES PROMULGATED UNDER THIS SUBSECTION THE DEPARTMENT DETERMINES THAT A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR INSTITUTION THAT RENDERS A TREATMENT, PRODUCT, SERVICE, OR ACCOMMODATION TO AN INJURED PERSON FOR ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE, OR A PERSON OR INSTITUTION THAT PROVIDES REHABILITATIVE OCCUPATIONAL TRAINING TO THE INJURED PERSON FOLLOWING THE INJURY, HAS ENGAGED IN A PATTERN OR PRACTICE OF CONDUCT IN VIOLATION OF THIS SECTION, THE DEPARTMENT MAY PROHIBIT THE PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR INSTITUTION FROM CHARGING AND RECEIVING A PAYMENT FOR ANY TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION UNDER THIS CHAPTER FOR A PERIOD OF TIME AND ALSO MAY ORDER A REFUND OF AMOUNTS RECEIVED IN VIOLATION OF THIS SECTION. THE DEPARTMENT SHALL PROMULGATE RULES TO IMPLEMENT THIS SECTION UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328.

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

(A) SUBMIT NECESSARY RECORDS AND OTHER INFORMATION CONCERNING TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS PROVIDED FOR UTILIZATION REVIEW UNDER THIS SECTION.
(B) COMPLY WITH ANY DECISION OF THE DEPARTMENT UNDER THIS
SECTION.

(2) A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR
INSTITUTION THAT KNOWINGLY SUBMITS FALSE OR MISLEADING RECORDS OR
OTHER INFORMATION TO AN INSURER, THE ASSOCIATION CREATED UNDER
SECTION 3104, OR THE DEPARTMENT UNDER THIS SECTION IS GUILTY OF A
MISDEMEANOR PUNISHABLE BY IMPRISONMENT FOR NOT MORE THAN 1 YEAR OR
A FINE OF NOT MORE THAN $1,000.00, OR BOTH.

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

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

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

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

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

(iii) APPEALING DETERMINATIONS.

(4) IF A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON PROVIDES
TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS UNDER THIS CHAPTER
THAT ARE NOT USUALLY ASSOCIATED WITH, ARE LONGER IN DURATION THAN,
ARE MORE FREQUENT THAN, OR EXTEND OVER A GREATER NUMBER OF DAYS
THAN THE TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS USUALLY
REQUIRE FOR THE DIAGNOSIS OR CONDITION FOR WHICH THE PATIENT IS
BEING TREATED, THE INSURER OR THE ASSOCIATION CREATED UNDER SECTION
3104 MAY REQUIRE THE PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON
TO EXPLAIN THE NECESSITY OR INDICATION FOR THE TREATMENT, PRODUCTS,
SERVICES, OR ACCOMMODATIONS IN WRITING UNDER THE PROCEDURES
PROVIDED UNDER SUBSECTION (3).

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

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

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

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

(2) A nonadmitted AN insurer THAT IS NOT AUTHORIZED TO TRANSACT AUTOMOBILE INSURANCE IN THIS STATE may voluntarily file the certification described in subsection (1).

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

(4) If an insurer of an out-of-state resident is required to provide benefits under subsections (1) to (3) to that AN out-of-state resident for accidental bodily injury, for an accident in which the out-of-state resident was not an occupant of a motor vehicle registered in this state, the insurer is only liable for the amount of ultimate loss sustained up to $500,000.00, UNLESS THE
COVERAGE LIMITS UNDER SECTION 3109A(2)(A) APPLY. IF THE COVERAGE LIMITS UNDER SECTION 3109A(2)(A) APPLY, THE INSURER IS ONLY LIABLE FOR THE AMOUNT OF ULTIMATE LOSS SUSTAINED UP TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(A). Benefits under this subsection are not recoverable to the extent that benefits covering the same loss are available from other sources, regardless of the nature or number of benefit sources available and regardless of the nature or form of the benefits.

SEC. 3180. (1) BY JUNE 30, 2018, AN INSURER THAT OFFERS AUTOMOBILE INSURANCE IN THIS STATE SHALL FILE PREMIUM RATES FOR PERSONAL PROTECTION INSURANCE COVERAGE THAT IS SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(A) OR (B) UNDER AN AUTOMOBILE INSURANCE POLICY EFFECTIVE AFTER JUNE 30, 2018 AND BEFORE JULY 1, 2019. THE PREMIUM RATES FILED, AND ANY SUBSEQUENT PREMIUM RATES FILED BY THE INSURER FOR PERSONAL PROTECTION INSURANCE COVERAGE THAT IS SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(A) OR (B) UNDER AN AUTOMOBILE INSURANCE POLICY EFFECTIVE BEFORE JULY 1, 2023, MUST REFLECT SAVINGS EXPECTED FROM THE PROVISIONS OF THE AMENDATORY ACT THAT ADDED THIS SECTION THAT AFFECT AUTOMOBILE INSURANCE POLICIES THAT ARE SUBJECT TO THE PERSONAL PROTECTION INSURANCE COVERAGE LIMITS UNDER SECTION 3109A(2)(A) OR (B), CONSISTENT WITH THE REQUIREMENTS OF SECTIONS 2109 TO 2111A.

(2) IF PREMIUM RATES FILED BY AN INSURER UNDER SUBSECTION (1) FOR PERSONAL PROTECTION INSURANCE COVERAGE THAT IS SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(A) DO NOT RESULT IN AN AVERAGE 40% REDUCTION PER VEHICLE FROM THE PREMIUM RATES FOR
PERSONAL PROTECTION INSURANCE COVERAGE THAT WERE IN EFFECT FOR THE
INSURER ON OCTOBER 1, 2017, THE INSURER SHALL INCLUDE WITH THE
FILING BOTH OF THE FOLLOWING:

(A) PREMIUM RATES FOR PERSONAL PROTECTION INSURANCE COVERAGE
THAT IS SUBJECT TO THE COVERAGE LIMITS UNDER SECTION 3109A(2)(A) AS
NEAR AS PRACTICABLE TO THAT REDUCTION RECOGNIZING THE
JUSTIFICATIONS DESCRIBED IN THIS SUBSECTION.

(B) A DETAILED EXPLANATION OF THE REASONS FOR THE INSURER'S
FAILURE TO ACHIEVE THE REQUIRED REDUCTION AND A DEMONSTRATION USING
GENERALLY ACCEPTED AND REASONABLE ACTUARIAL TECHNIQUES THAT THE
REQUIRED REDUCTION IS NOT JUSTIFIED BECAUSE OF 1 OR MORE OF THE
FOLLOWING:

(i) EXPECTED LOSSES OF THE INSURER.

(ii) INFLATION, AS SHOWN BY THE CONSUMER PRICE INDEX
CALCULATED AND PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR,
BUREAU OF LABOR STATISTICS.

(iii) A CHANGE IN AN ASSESSMENT IMPOSED ON AN INSURER UNDER
SECTION 3104 OR 3330.

(3) THE DIRECTOR SHALL REVIEW A FILING SUBMITTED BY AN INSURER
UNDER SUBSECTION (1) FOR COMPLIANCE WITH SUBSECTIONS (1) AND (2).
THE DIRECTOR SHALL DISAPPROVE A FILING IF AFTER REVIEW THE DIRECTOR
DETERMINES BOTH OF THE FOLLOWING:

(A) THAT THE FILING DOES NOT RESULT IN THE PREMIUM RATE
REDUCTION REQUIRED BY SUBSECTIONS (1) AND (2).

(B) THAT THE FAILURE TO ACHIEVE THE REDUCTION IS NOT JUSTIFIED
USING GENERALLY ACCEPTED AND REASONABLE ACTUARIAL TECHNIQUES
BECAUSE OF 1 OR MORE OF THE FACTORS LISTED IN SUBSECTION (2)(B).
(4) IF THE DIRECTOR DISAPPROVES A FILING UNDER SUBSECTION (3),
THE DIRECTOR SHALL DO BOTH OF THE FOLLOWING:

(A) DETERMINE WHAT RATE REDUCTION THE INSURER COULD ACHIEVE
THAT IS AS NEAR AS PRACTICABLE TO AN AVERAGE 40% REDUCTION PER
VEHICLE RECOGNIZING THE FACTORS LISTED IN SUBSECTION (2)(B).

(B) PROVIDE THE INSURER WITH A WRITTEN EXPLANATION OF THE
REASONS FOR THE DISAPPROVAL AND THE DIRECTOR'S DETERMINATION UNDER
SUBDIVISION (A).

(5) IF THE DIRECTOR DISAPPROVES A FILING UNDER SUBSECTION (3),
THE INSURER SHALL SUBMIT A REVISED FILING TO THE DIRECTOR WITHIN 15
DAYS OF THE DISAPPROVAL THAT COMPLIES WITH THE DIRECTOR'S
DETERMINATION UNDER SUBSECTION (4)(A). THE FILING IS SUBJECT TO
REVIEW IN THE SAME MANNER AS AN ORIGINAL FILING UNDER SUBSECTION
(3).

(6) A PREMIUM RATE FILING UNDER THIS SECTION THAT IS NOT
DISAPPROVED BY THE DIRECTOR WITHIN 30 DAYS OF ITS SUBMISSION IS
CONSIDERED APPROVED. HOWEVER, THE DIRECTOR MAY EXTEND THE TIME
UNDER THIS SUBSECTION BY AN ADDITIONAL 30 DAYS BY GIVING THE
INSURER WRITTEN NOTICE BEFORE THE INITIAL 30-DAY PERIOD EXPIRES OF
THE EXTENDED TIME PERIOD AND THE REASONS FOR THE EXTENSION.

(7) AFTER JUNE 30, 2018 AND BEFORE JULY 1, 2023, AN INSURER
SHALL NOT ISSUE OR RENEW AN AUTOMOBILE INSURANCE POLICY IN THIS
STATE UNLESS THE PREMIUM RATES FILED BY THE INSURER FOR PERSONAL
PROTECTION INSURANCE COVERAGE SUBJECT TO THE COVERAGE LIMITS UNDER
SECTION 3109A(2)(A) OR (B) ARE APPROVED UNDER THIS SECTION.

(8) FOR PURPOSES OF CALCULATING A PERSONAL PROTECTION
INSURANCE PREMIUM OR PREMIUM RATE UNDER THIS SECTION, THE PREMIUM
Sec. 3301. (1) Every insurer authorized to write automobile insurance in this state shall participate in an organization for the purpose of doing all of the following:

(a) Providing the guarantee that automobile insurance coverage will be available to any person who is unable to procure that insurance through ordinary methods.

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

(c) Providing funding for the Michigan automobile insurance fraud authority created under section 6302.

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

Sec. 3330. (1) The board of governors has the power to direct the operation of the facility, including, at a minimum, the power to do all of the following:

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

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

(c) To assess participating members on the basis of participation ratios pursuant to section 3303 to cover anticipated costs of operation and administration of the facility, to provide for equitable servicing fees, and to share losses, profits, and expenses pursuant to the plan of operation.
(d) To impose limitations on cancellation or nonrenewal by participating members of facility-placed business, in addition to the limitations imposed by chapters 21 and 32.

(e) To provide for a limited number of participating members to receive equitable distribution of applicants; or to provide for a limited number of participating members to service applicants in a plan of sharing of losses in accordance with section 3320(1)(c) and the plan of operation.

(f) To provide for standards of performance of service for the participating members designated under subdivision (e).

(g) To adopt a plan of operation and any amendments to the plan, consistent with this chapter, necessary to assure the fair, reasonable, equitable, and nondiscriminatory manner of administering the facility, including compliance with chapter 21, and to provide for any other matters necessary or advisable to implement this chapter, including matters necessary to comply with the requirements of chapter 21.

(h) To assess self-insurers and insurers consistent with chapter 31 and the assigned claims plan approved under section 3171.

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

(3) THE BOARD OF GOVERNORS SHALL ASSESS AND COLLECT FROM PARTICIPATING MEMBERS AND SELF-INSURERS MONEY BASED ON PARTICIPATION RATIOS TO COVER ANTICIPATED COSTS OF OPERATION AND ADMINISTRATION OF THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY CREATED UNDER SECTION 6302. THE AMOUNT AND DURATION OF THE ASSESSMENT MUST BE APPROVED BY AT LEAST 5 OF THE 7 GOVERNORS ELECTED AS PROVIDED IN THE FACILITY'S PLAN OF OPERATION.

(4) BEFORE JANUARY 2, 2018, THE BOARD OF GOVERNORS SHALL AMEND THE PLAN OF OPERATION TO ESTABLISH APPROPRIATE PROCEDURES NECESSARY TO MAKE ASSESSMENTS FOR AND TO CARRY OUT THE ADMINISTRATIVE DUTIES AND FUNCTIONS OF THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY CREATED UNDER SECTION 6302.

Sec. 4501. As used in this chapter:

(a) "Authorized agency" means the department of state police; a city, village, or township police department; a county sheriff's department; a United States criminal investigative department or agency; the prosecuting authority of a city, village, township, county, or state or of the United States; the office of financial and insurance regulation; DEPARTMENT; THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY; or the department of state.

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

(c) "Insurance policy" or "policy" means an insurance policy, benefit contract of a self-funded plan, health maintenance
organization contract, nonprofit dental care corporation
certificate, or health care corporation certificate.

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

(E) "MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY" MEANS THE
MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY CREATED UNDER SECTION
6302.

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

(G) (f) "Person" includes an individual, insurer, company,
association, organization, Lloyds, society, reciprocal or inter-
insurance exchange, partnership, syndicate, business trust,
corporation, and any other legal entity.

(H) (g) "Practitioner" means a licensee of this state
authorized to practice medicine and surgery, psychology,
chiropractic, or law, any other licensee of the THIS state, or an
unlicensed health care provider whose services are compensated,
directly or indirectly, by insurance proceeds, or a licensee
similarly licensed in other states and nations, or the practitioner
of any nonmedical treatment rendered in accordance with a
recognized religious method of healing.

(I) (h) "Runner", "capper", or "steerer" means a person who
receives a pecuniary or other benefit from a practitioner, whether
directly or indirectly, for procuring or attempting to procure a client, patient, or customer at the direction or request of, or in cooperation with, a practitioner whose intent is to obtain benefits under a contract of insurance or to assert a claim against an insured or an insurer for providing services to the client, patient, or customer. Runner, capper, or steerer does not include a practitioner who procures clients, patients, or customers through the use of public media.

(J) (i) "Statement" includes, but is not limited to, any notice statement, proof of loss, bill of lading, receipt for payment, invoice, account, estimate of property damages, bill for services, claim form, diagnosis, prescription, hospital or doctor record, X-rays, test result, or other evidence of loss, injury, or expense.

Sec. 4503. A fraudulent insurance act includes, but is not limited to, acts or omissions committed by any person who knowingly, and with an intent to injure, defraud, or deceive:

(a) Presents, causes to be presented, ASSISTS OR ABETS ANOTHER IN PRESENTING, SOLICITS OR CONSPIRES WITH ANOTHER TO PRESENT, or prepares, with knowledge or belief that it will be presented to or by an insurer or any agent of an insurer, or any AN agent of an insurer, reinsurer, or broker, any oral or written statement knowing that the statement contains any false information concerning any fact THAT IS material to AN ANY OF THE FOLLOWING:

(i) AN application for the issuance of an insurance policy.

(b) Prepares or assists, abets, solicits, or conspires with another to prepare or make an oral or written statement that is
intended to be presented to or by any insurer in connection with, or in support of, any application for the issuance of an insurance policy, knowing that the statement contains any false information concerning any fact or thing material to the application.

(ii) THE RATING OF AN INSURANCE POLICY OR REINSURANCE CONTRACT.

(iii) THE PREMIUMS PAID ON AN INSURANCE POLICY OR REINSURANCE CONTRACT.

(iv) PAYMENTS MADE IN ACCORDANCE WITH THE TERMS OF AN INSURANCE POLICY OR REINSURANCE CONTRACT.

(v) A DOCUMENT FILED WITH THE DIRECTOR OR THE CHIEF INSURANCE REGULATORY OFFICIAL OF ANOTHER JURISDICTION.

(vi) THE FINANCIAL CONDITION OF AN INSURER OR REINSURER.

(vii) THE FORMATION, ACQUISITION, MERGER, RECONSOLIDATION, DISSOLUTION, OR WITHDRAWAL FROM 1 OR MORE LINES OF INSURANCE OR REINSURANCE IN ALL OR PART OF THIS STATE BY AN INSURER OR REINSURER.

(vii) THE ISSUANCE OF WRITTEN EVIDENCE OF INSURANCE.

(ix) THE REINSTATEMENT OF AN INSURANCE POLICY.

(B) (c) Presents, or causes to be presented, ASSISTS OR ABETS ANOTHER IN PRESENTING, SOLICITS OR CONSPIRES WITH ANOTHER TO PRESENT, OR PREPARES, WITH KNOWLEDGE OR BELIEF THAT IT WILL BE PRESENTED to or by any AN insurer, any oral or written statement including computer-generated information as part of, or in support of, a claim for payment or other benefit pursuant to an insurance policy OR REINSURANCE CONTRACT, knowing that the statement contains false information concerning any fact or thing material to the
claim FOR PAYMENT OR OTHER BENEFIT.

(d) Assists, abets, solicits, or conspires with another to prepare or make any oral or written statement including computer-generated documents that is intended to be presented to or by any insurer in connection with, or in support of, any claim for payment or other benefit pursuant to an insurance policy, knowing that the statement contains any false information concerning any fact or thing material to the claim.

(C) (e) Solicits or accepts new or renewal insurance risks by or for an insolvent insurer, REINSURER, OR PERSON ENGAGED IN THE BUSINESS OF INSURANCE.

(D) (f) Removes, CONCEALS, ALTERS, OR DESTROYS or attempts to remove, CONCEAL, ALTER, OR DESTROY the assets or records of assets, transactions, and affairs, or a material part of the assets or records, from the home office or other place of business of the AN insurer, or from the place of safekeeping of the insurer, or who conceals or attempts to conceal the assets or record of assets, transactions, and affairs, or a material part of the assets or records, from the commissioner.

(E) (g) Diverts, attempts to divert, or conspires to divert funds or MONEY of an insurer or of other persons in connection with any of the following:

(i) The transaction of insurance or reinsurance.

(ii) The conduct of business activities by an insurer.

(iii) The formation, acquisition, or dissolution of an insurer.

(F) (h) Employs, uses, or acts as a runner, caper, or steerer
with the intent to falsely or fraudulently obtain benefits under a contract of insurance or to falsely or fraudulently assert a claim against an insured or an insurer for providing services to the client, patient, or customer.

(G) (i) Knowingly and willfully assists, conspires with, or urges any person to fraudulently violate this act, or any person who due to BECAUSE OF that assistance, conspiracy, or urging knowingly and willfully benefits from the proceeds derived from the fraud.

(H) TRANSACTS THE BUSINESS OF INSURANCE IN VIOLATION OF LAWS REQUIRING A LICENSE, CERTIFICATE OF AUTHORITY, OR LEGAL AUTHORITY FOR THE TRANSACTION OF THE BUSINESS OF INSURANCE.

(I) ATTEMPTS TO COMMIT, AIDS IN OR ABETS THE COMMISSION OF, OR CONSPIRES TO COMMIT THE ACTS OR OMISSIONS SPECIFIED IN THIS SECTION.

SEC. 4505. (1) THE DIRECTOR MAY INVESTIGATE SUSPECTED FRAUDULENT INSURANCE ACTS AND PERSONS ENGAGED IN SUSPECTED FRAUDULENT INSURANCE ACTS.

(2) THE DEPARTMENT OF ATTORNEY GENERAL SHALL PROVIDE THE DEPARTMENT WITH TECHNICAL ASSISTANCE RELATING TO THIS CHAPTER.

(3) THE DIRECTOR MAY ALLOCATE RESOURCES OF THE DEPARTMENT FOR THE PURPOSE OF PROSECUTING ALLEGED FRAUDULENT INSURANCE ACTS.

(4) AN INSURER OR AN AGENT AUTHORIZED BY THE INSURER TO ACT ON ITS BEHALF WHO HAS KNOWLEDGE OR A REASONABLE BELIEF THAT A FRAUDULENT INSURANCE ACT IS BEING, WILL BE, OR HAS BEEN COMMITTED SHALL PROVIDE TO THE DIRECTOR THE INFORMATION RELATING TO THE FRAUDULENT INSURANCE ACT REQUIRED BY, AND IN A MANNER PRESCRIBED
BY, THE DIRECTOR.

(5) ANY PERSON OTHER THAN AN INSURER OR AGENT OF AN INSURER WHO HAS KNOWLEDGE OR A REASONABLE BELIEF THAT A FRAUDULENT INSURANCE ACT IS BEING, WILL BE, OR HAS BEEN COMMITTED MAY PROVIDE THE DIRECTOR WITH INFORMATION RELATING TO THE FRAUDULENT INSURANCE ACT IN THE FORM AND MANNER PRESCRIBED BY THE DIRECTOR.

(6) THIS SECTION DOES NOT PREEMPT THE AUTHORITY OR RELIEVE THE DUTY OF OTHER AUTHORIZED GOVERNMENTAL OFFICERS OR ENTITIES TO INVESTIGATE, EXAMINE, AND PROSECUTE SUSPECTED VIOLATIONS OF LAW.

(7) IF AN INSURER OR AN OFFICER, EMPLOYEE, OR AUTHORIZED AGENT OF AN INSURER PROVIDES THE DEPARTMENT WITH INFORMATION IN GOOD FAITH UNDER THIS SECTION, THE INSURER, OFFICER, EMPLOYEE, OR AGENT IS IMMUNE FROM CIVIL OR CRIMINAL LIABILITY FOR PROVIDING THE INFORMATION.

CHAPTER 63

AUTOMOBILE INSURANCE FRAUD AUTHORITY

SEC. 6301. AS USED IN THIS CHAPTER:

(A) "AUTHORITY" MEANS THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY CREATED IN SECTION 6302.

(B) "AUTOMOBILE INSURANCE FRAUD" MEANS A FRAUDULENT INSURANCE ACT AS DESCRIBED IN SECTION 4503 THAT IS COMMITTED IN CONNECTION WITH AUTOMOBILE INSURANCE, INCLUDING AN APPLICATION FOR AUTOMOBILE INSURANCE.

(C) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE AUTHORITY.

(D) "CAR YEARS" MEANS NET DIRECT PRIVATE PASSENGER AND COMMERCIAL NONFLEET VEHICLE YEARS OF INSURANCE PROVIDING THE SECURITY REQUIRED BY SECTION 3101(1) OR 3103(1) WRITTEN IN THIS
STATE FOR THE SECOND PREVIOUS CALENDAR YEAR AS REPORTED TO THE
STATISTICAL AGENT OF EACHINSURER.

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

SEC. 6302. (1) THE MICHIGAN AUTOMOBILE INSURANCE FRAUD
AUTHORITY IS CREATED WITHIN THE FACILITY. THE FACILITY SHALL
PROVIDE STAFF FOR THE AUTHORITY AND SHALL CARRY OUT THE
ADMINISTRATIVE DUTIES AND FUNCTIONS AS DIRECTED BY THE BOARD.

(2) THE AUTHORITY IS NOT A STATE AGENCY, STATE AUTHORITY, OR
POLITICAL SUBDIVISION OF THIS STATE. THE MONEY OF THE AUTHORITY IS
NOT STATE MONEY. A RECORD OF THE AUTHORITY IS EXEMPT FROM
DISCLOSURE UNDER SECTION 13 OF THE FREEDOM OF INFORMATION ACT, 1976
PA 442, MCL 15.243.

(3) THE AUTHORITY SHALL DO ALL OF THE FOLLOWING:
(A) PROVIDE FINANCIAL SUPPORT TO STATE OR LOCAL LAW
ENFORCEMENT AGENCIES FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE
OF AUTOMOBILE INSURANCE FRAUD AND THEFT.

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

(C) APPROVE OR DISAPPROVE PROGRAMS FOR SUBDIVISION (A) OR (B),
OR BOTH.

(4) THE AUTHORITY MAY PROVIDE FINANCIAL SUPPORT TO LAW
ENFORCEMENT, PROSECUTORIAL, INSURANCE, EDUCATION, OR TRAINING
ASSOCIATIONS FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF
AUTOMOBILE INSURANCE FRAUD, INCLUDING, BUT NOT LIMITED TO,
FINANCIAL SUPPORT FOR AN ACTIVE FRAUD PREVENTION PROGRAM WITHIN THE
CITY IN THIS STATE WITH THE LARGEST POPULATION AND JOINT FRAUD
PREVENTION TASK FORCES THAT INCLUDE LOCAL, STATE, AND FEDERAL LAW
ENFORCEMENT AND PROSECUTORIAL OFFICIALS AND AGENCIES.

(5) THE PURPOSES, POWERS, AND DUTIES OF THE AUTHORITY ARE
VESTED IN AND SHALL BE EXERCISED BY A BOARD OF DIRECTORS. THE BOARD
OF DIRECTORS SHALL CONSIST OF 15 MEMBERS AS FOLLOWS:

(A) EIGHT MEMBERS WHO REPRESENT AUTOMOBILE INSURERS IN THIS
STATE, SUBJECT TO THE FOLLOWING:

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

(ii) AT LEAST 2 MEMBERS MUST REPRESENT INSURER GROUPS WITH
FEWER THAN 350,000 BUT 100,000 OR MORE CAR YEARS.

(iii) AT LEAST 1 MEMBER MUST REPRESENT INSURER GROUPS WITH
FEWER THAN 100,000 CAR YEARS.

(B) THE DIRECTOR OR HIS OR HER DESIGNEE FROM WITHIN THE
DEPARTMENT.

(C) THE DIRECTOR OF THE DEPARTMENT OF STATE POLICE OR HIS OR
HER DESIGNEE FROM WITHIN THE DEPARTMENT OF STATE POLICE.

(D) TWO MEMBERS WHO REPRESENT LAW ENFORCEMENT AGENCIES IN THIS
STATE OTHER THAN THE DEPARTMENT OF STATE POLICE.

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

(F) A RESIDENT OF THE CITY IN THIS STATE WITH THE LARGEST
POPULATION, DETERMINED ON THE BASIS OF THE LATEST FEDERAL DECENNIAL
CENSUS BEFORE THE MEMBER IS APPOINTED.

(G) ONE MEMBER OF THE GENERAL PUBLIC.

(6) AUTOMOBILE INSURERS THAT ARE AUTHORIZED TO DO BUSINESS IN
THIS STATE SHALL ELECT THE MEMBERS OF THE BOARD REPRESENTING
INSURERS FROM A LIST OF NOMINEES PROPOSED BY THE BOARD OF GOVERNORS
OF THE FACILITY. IN PREPARING THE LIST OF NOMINEES FOR THE MEMBERS,
THE BOARD OF GOVERNORS OF THE FACILITY SHALL SOLICIT NOMINATIONS
FROM THE AUTOMOBILE INSURERS THAT ARE AUTHORIZED TO DO BUSINESS IN
THIS STATE.

(7) THE GOVERNOR SHALL APPOINT THE MEMBERS OF THE BOARD THAT
REPRESENTS LAW ENFORCEMENT AGENCIES OTHER THAN THE DEPARTMENT OF
STATE POLICE. IN APPOINTING THE MEMBERS, THE GOVERNOR SHALL SOLICIT
INPUT FROM VARIOUS LAW ENFORCEMENT ASSOCIATIONS IN THIS STATE.

(8) THE GOVERNOR SHALL APPOINT THE MEMBER OF THE BOARD THAT
REPRESENTS PROSECUTING ATTORNEYS. IN APPOINTING THE MEMBER, THE
GOVERNOR SHALL SOLICIT INPUT FROM THE PROSECUTING ATTORNEYS
ASSOCIATION OF MICHIGAN.

(9) THE GOVERNOR SHALL APPOINT THE MEMBER UNDER SUBSECTION
(5)(F) FROM A LIST OF 3 OR MORE NOMINEES SUBMITTED TO THE GOVERNOR
BY THE MAYOR OF THE IDENTIFIED CITY.

(10) THE GOVERNOR SHALL APPOINT THE MEMBER OF THE GENERAL
PUBLIC. THE GOVERNOR SHALL APPOINT AN INDIVIDUAL WHO IS A RESIDENT
OF THIS STATE AND IS NOT EMPLOYED BY OR UNDER CONTRACT WITH A STATE
OR LOCAL UNIT OF GOVERNMENT OR AN INSURER.

(11) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A MEMBER
OF THE BOARD SHALL SERVE FOR A TERM OF 4 YEARS OR UNTIL HIS OR HER
SUCCESSOR IS ELECTED, DESIGNATED, OR APPOINTED, WHICHEVER OCCURS
LATER. OF THE MEMBERS FIRST ELECTED OR APPOINTED UNDER THIS
SECTION, 2 MEMBERS REPRESENTING INSURERS AND 1 MEMBER REPRESENTING
LAW ENFORCEMENT AGENCIES SHALL SERVE FOR A TERM OF 2 YEARS, 3
MEMBERS REPRESENTING INSURERS, THE MEMBER REPRESENTING PROSECUTING ATTORNEYS, AND THE MEMBER OF THE GENERAL PUBLIC SHALL SERVE FOR A TERM OF 3 YEARS, AND 3 MEMBERS REPRESENTING INSURERS, 1 MEMBER REPRESENTING LAW ENFORCEMENT AGENCIES, AND THE MEMBER APPOINTED UNDER SUBSECTION (5)(E) SHALL SERVE FOR A TERM OF 4 YEARS.

SEC. 6303. (1) A MEMBER OF THE BOARD SHALL SERVE WITHOUT COMPENSATION, EXCEPT THAT THE BOARD SHALL REIMBURSE A MEMBER IN A REASONABLE AMOUNT FOR NECESSARY TRAVEL AND EXPENSES.


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

(4) THE BOARD SHALL CONDUCT ITS BUSINESS AT MEETINGS THAT ARE HELD IN THIS STATE, OPEN TO THE PUBLIC, AND HELD IN A PLACE THAT IS AVAILABLE TO THE GENERAL PUBLIC. HOWEVER, THE BOARD MAY ESTABLISH REASONABLE RULES TO MINIMIZE DISRUPTION OF A MEETING OF THE BOARD. AT LEAST 10 DAYS BUT NOT MORE THAN 60 DAYS BEFORE A MEETING, THE
BOARD SHALL PROVIDE PUBLIC NOTICE OF THE MEETING AT THE BOARD'S PRINCIPAL OFFICE AND ON A PUBLICLY ACCESSIBLE INTERNET WEBSITE. THE BOARD SHALL INCLUDE IN THE PUBLIC NOTICE OF ITS MEETING THE ADDRESS WHERE MINUTES OF THE BOARD MAY BE INSPECTED BY THE PUBLIC. THE BOARD MAY MEET IN A CLOSED SESSION FOR ANY OF THE FOLLOWING PURPOSES:

(A) TO CONSIDER THE HIRING, DISMISSAL, SUSPENSION, DISCIPLINING, OR EVALUATION OF OFFICERS OR EMPLOYEES OF THE AUTHORITY.

(B) TO CONSULT WITH ITS ATTORNEY.

(C) TO COMPLY WITH STATE OR FEDERAL LAW, RULES, OR REGULATIONS REGARDING PRIVACY OR CONFIDENTIALITY.

(5) THE BOARD SHALL DISPLAY INFORMATION CONCERNING THE AUTHORITY'S OPERATIONS AND ACTIVITIES, INCLUDING, BUT NOT LIMITED TO, THE ANNUAL FINANCIAL REPORT REQUIRED UNDER SECTION 6308, ON A PUBLICLY ACCESSIBLE INTERNET WEBSITE.

(6) THE BOARD SHALL KEEP MINUTES OF EACH BOARD MEETING. THE BOARD SHALL MAKE THE MINUTES OPEN TO PUBLIC INSPECTION AND AVAILABLE AT THE ADDRESS DESIGNATED ON THE PUBLIC NOTICE OF ITS MEETINGS. THE BOARD SHALL MAKE COPIES OF THE MINUTES AVAILABLE TO THE PUBLIC AT THE REASONABLE ESTIMATED COST FOR PRINTING AND COPYING. THE BOARD SHALL INCLUDE ALL OF THE FOLLOWING IN THE MINUTES:

(A) THE DATE, TIME, AND PLACE OF THE MEETING.

(B) THE NAMES OF BOARD MEMBERS WHO ARE PRESENT AND BOARD MEMBERS WHO ARE ABSENT.

(C) BOARD DECISIONS MADE DURING ANY PORTION OF THE MEETING
THAT WAS OPEN TO THE PUBLIC.

(D) ALL ROLL CALL VOTES TAKEN AT THE MEETING.

SEC. 6304. THE BOARD HAS THE POWERS NECESSARY TO CARRY OUT ITS DUTIES UNDER THIS ACT, INCLUDING, BUT NOT LIMITED TO, THE POWER TO DO THE FOLLOWING:

(A) SUE AND BE SUED IN THE NAME OF THE AUTHORITY.

(B) SOLICIT AND ACCEPT GIFTS, GRANTS, LOANS, AND OTHER AID FROM ANY PERSON, THE FEDERAL GOVERNMENT, THIS STATE, A LOCAL UNIT OF GOVERNMENT, OR AN AGENCY OF THE FEDERAL GOVERNMENT, THIS STATE, OR A LOCAL UNIT OF GOVERNMENT.

(C) MAKE GRANTS AND INVESTMENTS.

(D) PROCUREMENT INSURANCE AGAINST ANY LOSS IN CONNECTION WITH ITS PROPERTY, ASSETS, OR ACTIVITIES.

(E) INVEST AT ITS DISCRETION ANY MONEY HELD IN RESERVE OR SINKING FUNDS OR ANY MONEY NOT REQUIRED FOR IMMEDIATE USE OR DISBURSEMENT AND TO SELECT AND USE DEPOSITORIES FOR ITS MONEY.

(F) CONTRACT FOR GOODS AND SERVICES AND ENGAGE PERSONNEL AS NECESSARY.

(G) INDEMNIFY AND PROCUREMENT INSURANCE INDEMNIFYING ANY MEMBER OF THE BOARD FOR PERSONAL LOSS OR ACCOUNTABILITY RESULTING FROM THE MEMBER'S ACTION OR INACTION AS A MEMBER OF THE BOARD.

(H) PERFORM OTHER ACTS NOT SPECIFICALLY ENUMERATED IN THIS SECTION THAT ARE NECESSARY OR PROPER TO ACCOMPLISH THE PURPOSES OF THE AUTHORITY AND THAT ARE NOT INCONSISTENT WITH THIS SECTION OR THE PLAN OF OPERATION.

SEC. 6305. (1) THE BOARD MAY EXAMINE IN PERSON, BY WRITING, AND, IF APPROPRIATE, UNDER OATH ALL PERSONS CONSIDERED BY THE BOARD
TO HAVE MATERIAL INFORMATION REGARDING AUTOMOBILE INSURANCE FRAUD.

THE BOARD MAY COMPEL THE ATTENDANCE AND TESTIMONY OF WITNESSES AND

THE PRODUCTION OF ANY BOOKS, ACCOUNTS, PAPERS, RECORDS, DOCUMENTS,

AND FILES RELATING TO AUTOMOBILE INSURANCE FRAUD, AND MAY AUTHORIZE

SUBPOENAS, THE ADMINISTRATION OF OATHS AND AFFIRMATIONS, AND THE

EXAMINATION OF WITNESSES, AND MAY RECEIVE EVIDENCE FOR THIS

PURPOSE. THE BOARD MAY REQUEST THE INGHAM COUNTY CIRCUIT COURT TO

ISSUE AN ORDER REQUIRING COMPLIANCE WITH AN ORDER OR SUBPOENA OF

THE BOARD UNDER THIS SUBSECTION.

(2) THIS CHAPTER DOES NOT PREEMPT THE AUTHORITY OR RELIEVE THE

DUTY OF OTHER AUTHORIZED GOVERNMENTAL OFFICERS OR ENTITIES TO

INVESTIGATE, EXAMINE, AND PROSECUTE SUSPECTED VIOLATIONS OF LAW.

SEC. 6306. (1) AN INSURER OR SELF-INSURER ENGAGED IN WRITING

INSURANCE COVERAGE THAT PROVIDE THE SECURITY REQUIRED BY SECTION

3101(1) AND 3103(1) IN THIS STATE SHALL PAY TO THE FACILITY ANY

ASSESSMENT IMPOSED UNDER SECTION 3330(3) FOR DEPOSIT INTO THE

ACCOUNT OF THE AUTHORITY TO BE USED BY THE AUTHORITY TO CARRY OUT

ITS DUTIES UNDER THIS CHAPTER.

(2) THE FACILITY SHALL SEGREGATE ALL MONEY RECEIVED UNDER

SUBSECTION (1), AND ALL OTHER MONEY RECEIVED BY THE AUTHORITY FOR

THE PURPOSE, FROM OTHER MONEY OF THE FACILITY, IF APPLICABLE. THE

FACILITY SHALL ONLY EXPEND THE MONEY RECEIVED UNDER SUBSECTION (1)

AS DIRECTED BY THE BOARD.

SEC. 6307. (1) AN INSURER AUTHORIZED TO TRANSACT AUTOMOBILE

INSURANCE IN THIS STATE, AS A CONDITION OF ITS AUTHORITY TO

TRANSACT INSURANCE IN THIS STATE, SHALL REPORT AUTOMOBILE INSURANCE

FRAUD DATA TO THE AUTHORITY USING THE FORMAT AND PROCEDURES ADOPTED
BY THE BOARD.

(2) THE DEPARTMENT OF STATE POLICE AND LOCAL LAW ENFORCEMENT AGENCIES SHALL COOPERATE WITH THE AUTHORITY AND SHALL PROVIDE AVAILABLE MOTOR VEHICLE FRAUD AND THEFT STATISTICS TO THE AUTHORITY ON REQUEST.

(3) THE BOARD SHALL DEVELOP PERFORMANCE METRICS THAT ARE CONSISTENT, CONTROLLABLE, MEASURABLE, AND ATTAINABLE. THE BOARD SHALL USE THE METRICS EACH YEAR TO EVALUATE NEW APPLICATIONS SUBMITTED FOR FUNDING CONSIDERATION AND TO RENEW FUNDING FOR EXISTING PROGRAMS.

SEC. 6308. (1) BEGINNING JANUARY 1, 2019, THE AUTHORITY SHALL PREPARE AND PUBLISH AN ANNUAL FINANCIAL REPORT, AND BEGINNING JULY 1, 2019, THE AUTHORITY SHALL PREPARE AND PUBLISH AN ANNUAL REPORT TO THE LEGISLATURE ON THE AUTHORITY'S EFFORTS TO PREVENT AUTOMOBILE INSURANCE FRAUD AND COST SAVINGS THAT HAVE RESULTED FROM THOSE EFFORTS.

(2) THE ANNUAL REPORT TO THE LEGISLATURE REQUIRED UNDER SUBSECTION (1) MUST DETAIL THE AUTOMOBILE INSURANCE FRAUD OCCURRING IN THIS STATE FOR THE PREVIOUS YEAR, ASSES THE IMPACT OF THE FRAUD ON RATES CHARGED FOR AUTOMOBILE INSURANCE, SUMMARIZE PREVENTION PROGRAMS, AND OUTLINE ALLOCATIONS MADE BY THE AUTHORITY. THE MEMBERS OF THE BOARD, INSURERS, AND THE DIRECTOR SHALL COOPERATE IN DEVELOPING THE REPORT AS REQUESTED BY THE AUTHORITY AND SHALL MAKE AVAILABLE TO THE AUTHORITY RECORDS AND STATISTICS CONCERNING AUTOMOBILE INSURANCE FRAUD, INCLUDING THE NUMBER OF INSTANCES OF SUSPECTED AND CONFIRMED INSURANCE FRAUD, NUMBER OF PROSECUTIONS AND CONVICTIONS INVOLVING AUTOMOBILE INSURANCE FRAUD, AUTOMOBILE
INSURANCE FRAUD RECIDIVISM, WRONGFUL OR FRAUDULENT SOLICITATION OF
CLIENTS BY ATTORNEYS IN MATTERS RELATING TO AUTOMOBILE INSURANCE,
AND FRAUD RELATED TO MEDICAL SERVICES NOT REASONABLY NECESSARY OR
OTHERWISE EXCESSIVE. THE AUTHORITY SHALL EVALUATE THE IMPACT
AUTOMOBILE INSURANCE FRAUD HAS ON THE CITIZENS OF THIS STATE AND
THE COSTS INCURRED BY THE CITIZENS THROUGH INSURANCE, POLICE
ENFORCEMENT, PROSECUTION, AND INCARCERATION BECAUSE OF AUTOMOBILE
INSURANCE FRAUD. THE AUTHORITY SHALL SUBMIT THE REPORT TO THE
LEGISLATURE REQUIRED BY THIS SECTION TO THE SENATE AND HOUSE OF
REPRESENTATIVES STANDING COMMITTEES WITH PRIMARY JURISDICTION OVER
INSURANCE ISSUES AND TO THE DIRECTOR.