

# HOUSE BILL No. 4488

April 19, 2017, Introduced by Rep. Sheppard and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending the title, the heading of chapter 61, and sections 3104, 3107, 3109a, 3301, 3330, 4501, 6101, 6105, 6110, and 6111 (MCL 500.3104, 500.3107, 500.3109a, 500.3301, 500.3330, 500.4501, 500.6101, 500.6105, 500.6110, and 500.6111), the title as amended by 2002 PA 304, section 3104 as amended by 2002 PA 662, section 3107 as amended by 2012 PA 542, section 3109a as amended by 2012 PA 454, section 3330 as amended by 2012 PA 204, section 4501 as amended by 2012 PA 39, sections 6101, 6105, and 6110 as added by 1992 PA 174, and section 6111 as amended by 2004 PA 316, and by adding sections 6104, 6104a, 6104b, 6107a, and 6108.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

## TITLE

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

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

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

19           (2) ~~The~~ **SUBJECT TO SUBSECTION (3), THE** association shall  
20 provide and each member shall accept indemnification for 100% of  
21 the amount of ultimate loss sustained under personal protection  
22 insurance coverages in excess of the following amounts in each loss  
23 occurrence:

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

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

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

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

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

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

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

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

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

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

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

19 **(l) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED**  
20 **DURING THE PERIOD JULY 1, 2013 TO JUNE 30, 2015, \$530,000.00.**

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

23 Beginning July 1, ~~2013, 2017~~, this ~~\$500,000.00~~ **\$545,000.00** amount  
24 ~~shall~~ **MUST** be increased biennially on July 1 of each odd-numbered  
25 year, for policies issued or renewed before July 1 of the following  
26 odd-numbered year, by the lesser of 6% or the consumer price index,  
27 and rounded to the nearest \$5,000.00. ~~This~~ **THE ASSOCIATION SHALL**

1 **CALCULATE THIS** biennial adjustment ~~shall be calculated by the~~  
 2 ~~association~~ by January 1 of the year of its July 1 effective date.

3 **(3) THE ASSOCIATION DOES NOT HAVE LIABILITY FOR ANY AMOUNT OF**  
 4 **ULTIMATE LOSS THAT EXCEEDS AN APPLICABLE MAXIMUM LIMIT SELECTED**  
 5 **UNDER SECTION 3109A(2) .**

6 **(4)** ~~(3)~~—An insurer may withdraw from the association only ~~upon~~  
 7 **ON** ceasing to write insurance that provides the security required  
 8 by section 3101(1) in this state.

9 **(5)** ~~(4)~~—An insurer whose membership in the association has  
 10 been terminated by withdrawal ~~shall continue~~ **CONTINUES** to be bound  
 11 by the plan of operation, and ~~upon~~ **ON** withdrawal, all unpaid  
 12 premiums that have been charged to the withdrawing member are  
 13 payable as of the effective date of the withdrawal.

14 **(6)** ~~(5)~~—An unsatisfied net liability to the association of an  
 15 insolvent member ~~shall~~ **MUST** be assumed by and apportioned among the  
 16 remaining members of the association as provided in the plan of  
 17 operation. The association has all rights allowed by law on behalf  
 18 of the remaining members against the estate or funds of the  
 19 insolvent member for ~~sums~~ **MONEY** due the association.

20 **(7)** ~~(6)~~—If a member has been merged or consolidated into  
 21 another insurer or another insurer has reinsured a member's entire  
 22 business that provides the security required by section 3101(1) in  
 23 this state, the member and successors in interest of the member  
 24 remain liable for the member's obligations.

25 **(8)** ~~(7)~~—The association shall do all of the following on  
 26 behalf of the members of the association:

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

1 (2).

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

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

16 (d) In a manner provided for in the plan of operation,  
17 calculate and charge to members of the association a total premium  
18 sufficient to cover the expected losses and expenses of the  
19 association that the association will likely incur during the  
20 period for which the premium is applicable. The **TOTAL** premium ~~shall~~  
21 **MUST** include an amount to cover incurred but not reported losses  
22 for the period and may be adjusted for any excess or deficient  
23 premiums from previous periods. Excesses or deficiencies from  
24 previous periods may be fully adjusted in a single period or may be  
25 adjusted over several periods in a manner provided for in the plan  
26 of operation. Each member ~~shall~~**MUST** be charged an amount equal to  
27 that member's total written car years of insurance providing the

1 security required by section 3101(1) or 3103(1), or both, written  
2 in this state during the period to which the premium applies, **WITH**  
3 **THE TOTAL CAR YEARS OF INSURANCE** multiplied by the **APPLICABLE**  
4 average premium per car. The average premium per car ~~shall be~~ **IS**  
5 the total premium ~~calculated~~ divided by the total written car years  
6 of insurance providing the security required by section 3101(1) or  
7 3103(1) written in this state of all members during the period to  
8 which the premium applies. A member ~~shall~~ **MUST** be charged a premium  
9 for a historic vehicle that is insured with the member of 20% of  
10 the premium charged for a car insured with the member. As used in  
11 this subdivision:

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

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

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

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

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

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

26 (g) Establish procedures for reviewing claims procedures and  
27 practices of members of the association. If the claims procedures



1 or practices of a member are considered inadequate to properly  
2 service the liabilities of the association, the association may  
3 undertake or may contract with another person, including another  
4 member, to adjust or assist in the adjustment of claims for the  
5 member on claims that create a potential liability to the  
6 association and may charge the cost of the adjustment to the  
7 member.

8 (9) ~~(8)~~—In addition to other powers granted to it by this  
9 section, the association may do all of the following:

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

16 (b) Reinsure all or any portion of its potential liability  
17 with reinsurers licensed to transact insurance in this state or  
18 approved by the ~~commissioner~~**DIRECTOR OF THE DEPARTMENT**.

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

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

27 (e) Contract for goods and services, including independent

1 claims management, actuarial, investment, and legal services, from  
2 others ~~within~~**IN** or ~~without~~**OUTSIDE OF** this state to assure the  
3 efficient operation of the association.

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

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

10 **(10)** ~~(9)~~A board of directors is created ~~, hereinafter~~  
11 ~~referred to as the board, which shall be responsible for the~~  
12 ~~operation of~~**AND SHALL OPERATE** the association consistent with the  
13 plan of operation and this section.

14 **(11)** ~~(10)~~The plan of operation shall ~~shall~~**MUST** provide for all of  
15 the following:

16 (a) The establishment of necessary facilities.

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

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

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

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

25 (f) The investment policy of the association.

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

1           (12) ~~(11) Each~~ **THE** board shall ~~shall~~ **MUST** include members that would  
 2 contribute a total of not less than 40% of the total premium  
 3 calculated pursuant to subsection ~~(7) (d)~~. **(8) (D)**. Each director  
 4 shall ~~be~~ **IS** entitled to 1 vote. The initial term of office of a  
 5 director shall ~~be~~ **IS** 2 years.

6           (13) ~~(12)~~ As part of the plan of operation, the board shall  
 7 adopt rules providing for the composition ~~and term of successor~~  
 8 ~~boards to the initial board~~ **AND THE TERMS OF BOARD MEMBERS,**  
 9 consistent with the membership composition requirements in  
 10 subsections ~~(11) and (13)~~. **(12) AND (14)**. Terms of the directors  
 11 shall ~~shall~~ **MUST** be staggered so that the terms of all the directors do  
 12 not expire at the same time and so that a director does not serve a  
 13 term of more than 4 years.

14           (14) ~~(13)~~ The board shall ~~shall~~ **MUST** consist of 5 directors ~~and~~  
 15 the commissioner **DIRECTOR OF THE DEPARTMENT, WHO** shall ~~be~~ **SERVE AS**  
 16 an ex officio member of the board without vote.

17           (15) ~~(14)~~ Each director ~~THE DIRECTOR OF THE DEPARTMENT~~ shall  
 18 ~~be appointed by the commissioner and~~ **APPOINT THE DIRECTORS. A**  
 19 **DIRECTOR** shall serve until ~~that member's~~ **HIS OR HER** successor is  
 20 selected and qualified. The **BOARD SHALL ELECT THE** chairperson of  
 21 the board. ~~shall be elected by the board. A~~ **THE DIRECTOR OF THE**  
 22 **DEPARTMENT SHALL FILL ANY** vacancy on the board ~~shall be filled by~~  
 23 ~~the commissioner consistent with~~ **AS PROVIDED IN** the plan of  
 24 operation.

25           (16) ~~(15)~~ After the board is appointed, the ~~THE~~ board shall  
 26 meet as often as the chairperson, the commissioner, **DIRECTOR OF THE**  
 27 **DEPARTMENT,** or the plan of operation shall ~~require,~~ **REQUIRES,** or at

1 the request of any 3 members of the board. The chairperson shall  
2 ~~retain the right to~~ **MAY** vote on all issues. Four members of the  
3 board constitute a quorum.

4       **(17)** ~~(16) An~~ **THE BOARD SHALL FURNISH TO EACH MEMBER AN** annual  
5 report of the operations of the association in a form and detail as  
6 may be determined by the board. ~~shall be furnished to each member.~~  
7 ~~—— (17) Not more than 60 days after the initial organizational~~  
8 ~~meeting of the board, the board shall submit to the commissioner~~  
9 ~~for approval a proposed plan of operation consistent with the~~  
10 ~~objectives and provisions of this section, which shall provide for~~  
11 ~~the economical, fair, and nondiscriminatory administration of the~~  
12 ~~association and for the prompt and efficient provision of~~  
13 ~~indemnity. If a plan is not submitted within this 60-day period,~~  
14 ~~then the commissioner, after consultation with the board, shall~~  
15 ~~formulate and place into effect a plan consistent with this~~  
16 ~~section.~~

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

1 ~~the requirements and objectives of this section.~~

2       (18) ~~(19) The proposed plan of operation or ANY~~ amendments to  
3 the plan of operation **OF THE ASSOCIATION** are subject to majority  
4 approval by the board, ~~ratified~~ **RATIFICATION** by a majority of the  
5 membership having a vote, with voting rights being apportioned  
6 according to the premiums charged in subsection ~~(7)(d)~~ **(8) (D)**, and  
7 ~~are subject to approval by the commissioner.~~ **DIRECTOR OF THE**  
8 **DEPARTMENT.**

9       (19) ~~(20) Upon approval by the commissioner and ratification~~  
10 ~~by the members of the plan submitted, or upon the promulgation of a~~  
11 ~~plan by the commissioner, each AN~~ insurer authorized to write  
12 insurance providing the security required by section 3101(1) in  
13 this state, as provided in this section, is bound by and shall  
14 formally subscribe to and participate in the plan ~~approved~~ **OF**  
15 **OPERATION** as a condition of maintaining its authority to transact  
16 insurance in this state.

17       (20) ~~(21) The association is subject to all the reporting,~~  
18 ~~loss reserve, and investment requirements of the commissioner~~  
19 **DIRECTOR OF THE DEPARTMENT** to the same extent as ~~would a member~~ **ARE**  
20 **THE MEMBERS** of the association.

21       (21) ~~(22) Premiums charged members by the association shall~~  
22 **MUST** be recognized in the rate-making procedures for insurance  
23 rates in the same manner that expenses and premium taxes are  
24 recognized.

25       (22) ~~(23) The commissioner~~ **DIRECTOR OF THE DEPARTMENT** or an  
26 authorized representative of the ~~commissioner~~ **DIRECTOR OF THE**  
27 **DEPARTMENT** may visit the association at any time and examine any

1 and all **OF** the association's affairs.

2 (23) ~~(24)~~—The association does not have liability for losses  
3 occurring before July 1, 1978.

4 (24) ~~(25)~~—As used in this section:

5 (A) "ASSOCIATION" MEANS THE CATASTROPHIC CLAIMS ASSOCIATION  
6 CREATED IN SUBSECTION (1) .

7 (B) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE ASSOCIATION  
8 CREATED IN SUBSECTION (10) .

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

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

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

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

26 (a) Allowable expenses consisting of all reasonable charges  
27 incurred, **UP TO ANY APPLICABLE MAXIMUM LIMIT SELECTED UNDER SECTION**

1 **3109A**, for reasonably necessary products, services, and  
2 accommodations for an injured person's care, recovery, or  
3 rehabilitation. Allowable expenses within personal protection  
4 insurance coverage ~~shall~~**DO** not include either of the following:

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

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

11 (b) Work loss consisting of loss of income from work an  
12 injured person would have performed during the first 3 years after  
13 the date of the accident if he or she had not been injured. Work  
14 loss does not include any loss after the date on which the injured  
15 person dies. Because the benefits received from personal protection  
16 insurance for loss of income are not taxable income, the benefits  
17 payable for such loss of income shall be reduced 15% unless the  
18 claimant presents to the insurer in support of his or her claim  
19 reasonable proof of a lower value of the income tax advantage in  
20 his or her case, in which case the lower value shall apply. For the  
21 period beginning October 1, 2012 through September 30, 2013, the  
22 benefits payable for work loss sustained in a single 30-day period  
23 and the income earned by an injured person for work during the same  
24 period together shall not exceed \$5,189.00, which maximum shall  
25 apply pro rata to any lesser period of work loss. Beginning October  
26 1, 2013, the maximum shall be adjusted annually to reflect changes  
27 in the cost of living under rules prescribed by the ~~commissioner~~

1 **DIRECTOR** but any change in the maximum shall apply only to benefits  
2 arising out of accidents occurring subsequent to the date of change  
3 in the maximum.

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

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

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

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

24 **(C) FOR INJURIES RESULTING FROM AN AUTOMOBILE ACCIDENT, AN**  
25 **INSURER IS NOT REQUIRED TO PROVIDE COVERAGE FOR MORE THAN A**  
26 **CUMULATIVE 56 HOURS PER WEEK OF ATTENDANT CARE IN THE HOME IF THE**  
27 **ATTENDANT CARE IS PROVIDED DIRECTLY, OR INDIRECTLY THROUGH ANOTHER**



1 PERSON OR ENTITY, BY ANY OF THE FOLLOWING:

2 (i) A FAMILY MEMBER OF THE INJURED PERSON.

3 (ii) A MEMBER OF THE HOUSEHOLD OF THE INJURED PERSON.

4 (iii) A PERSON WITH WHOM THE INJURED PERSON HAD A BUSINESS OR  
5 SOCIAL RELATIONSHIP BEFORE THE AUTOMOBILE ACCIDENT.

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

10 (4) SUBSECTION (2) (C) ONLY LIMITS ATTENDANT CARE PROVIDED IN  
11 THE HOME BY A PERSON DESCRIBED IN SUBSECTION (2) (C) (i) TO (iii) .

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

21 (2) WHEN AN INDIVIDUAL APPLIES FOR OR RENEWS AN INSURANCE  
22 POLICY THAT PROVIDES BENEFITS UNDER THIS CHAPTER, THE INDIVIDUAL  
23 SHALL SELECT 1 OF THE FOLLOWING LEVELS OF MAXIMUM PERSONAL  
24 PROTECTION INSURANCE BENEFITS:

25 (A) A \$250,000.00 LIMIT.

26 (B) A \$500,000.00 LIMIT.

27 (C) A \$1,000,000.00 LIMIT.

1 (D) NO MAXIMUM LIMIT.

2 (3) A MAXIMUM LIMIT SELECTED UNDER SUBSECTION (2) APPLIES TO  
3 ALLOWABLE EXPENSES AS DESCRIBED UNDER SECTION 3107(1) (A). THE  
4 MAXIMUM LIMIT SELECTED APPLIES ONLY TO BENEFITS PAYABLE BECAUSE OF  
5 AN ACCIDENTAL BODILY INJURY TO THE INSURED NAMED IN THE POLICY, THE  
6 INSURED'S SPOUSE, AND ANY RELATIVE OF EITHER DOMICILED IN THE SAME  
7 HOUSEHOLD. THE MAXIMUM LIMIT AVAILABLE BECAUSE OF ACCIDENTAL BODILY  
8 INJURY TO 1 PERSON ARISING FROM 1 MOTOR VEHICLE ACCIDENT IS  
9 DETERMINED WITHOUT REGARD TO THE NUMBER OF POLICIES APPLICABLE TO  
10 THE ACCIDENT.

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

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

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

19 (C) PROVIDING FUNDING FOR THE MICHIGAN AUTOMOBILE INSURANCE  
20 FRAUD AND THEFT PREVENTION AUTHORITY CREATED IN SECTION 6104.

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

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

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

1 individual participating members of the facility.

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

4 (c) To assess participating members on the basis of  
5 participation ratios ~~pursuant to section 3303~~ to cover anticipated  
6 costs of operation and administration of the facility, to provide  
7 for equitable servicing fees, and to share losses, profits, and  
8 expenses pursuant to the plan of operation.

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

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

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

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

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

1 3171.

2 (I) UNTIL DECEMBER 31, 2022, TO ANNUALLY ASSESS PARTICIPATING  
3 MEMBERS AND SELF-INSURERS AN AGGREGATE AMOUNT NOT TO EXCEED  
4 \$21,000,000.00 TO COVER ANTICIPATED COSTS OF OPERATION AND  
5 ADMINISTRATION OF THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT  
6 PREVENTION AUTHORITY.

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

16 (3) BEFORE JANUARY 2, 2018, THE BOARD OF GOVERNORS SHALL AMEND  
17 THE PLAN OF OPERATION TO ESTABLISH APPROPRIATE PROCEDURES NECESSARY  
18 TO MAKE ASSESSMENTS FOR AND CARRY OUT THE ADMINISTRATIVE DUTIES AND  
19 FUNCTIONS OF THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT  
20 PREVENTION AUTHORITY AS PROVIDED IN CHAPTER 61.

21 Sec. 4501. As used in this chapter:

22 (a) "Authorized agency" means the department of state police;  
23 a city, village, or township police department; a county sheriff's  
24 department; a United States criminal investigative department or  
25 agency; the prosecuting authority of a city, village, township,  
26 county, or state or of the United States; the ~~office of financial~~  
27 ~~and insurance regulation;~~ **DEPARTMENT; THE MICHIGAN AUTOMOBILE**

1 **INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY**; or the department  
2 of state.

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

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

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

15 **(E) "MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION**  
16 **AUTHORITY" MEANS THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT**  
17 **PREVENTION AUTHORITY CREATED UNDER SECTION 6104.**

18 **(F)** ~~(e)~~—"Organization" means an organization or internal  
19 department of an insurer established to detect and prevent  
20 insurance fraud.

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

25 **(H)** ~~(g)~~—"Practitioner" means a licensee of this state  
26 authorized to practice medicine and surgery, psychology,  
27 chiropractic, or law, any other licensee of ~~the~~**THIS** state, or an

1 unlicensed health care provider whose services are compensated,  
 2 directly or indirectly, by insurance proceeds, or a licensee  
 3 similarly licensed in other states and nations, or the practitioner  
 4 of any nonmedical treatment rendered in accordance with a  
 5 recognized religious method of healing.

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

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

## 22 CHAPTER 61

### 23 AUTOMOBILE **INSURANCE FRAUD AND THEFT PREVENTION**

#### 24 ~~AUTHORITY~~**AUTHORITIES**

25 Sec. 6101. As used in this chapter:

26 (a) "Authority" means **THE MICHIGAN AUTOMOBILE INSURANCE FRAUD**  
 27 **AND THEFT PREVENTION AUTHORITY CREATED UNDER SECTION 6104 OR,**

1 BEFORE THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION  
2 AUTHORITY IS CREATED AND AFTER IT IS DISSOLVED, the automobile  
3 theft prevention authority.

4 (B) "AUTOMOBILE INSURANCE FRAUD" MEANS A FRAUDULENT INSURANCE  
5 ACT AS DESCRIBED IN SECTION 4503 THAT IS COMMITTED IN CONNECTION  
6 WITH AN APPLICATION FOR OR A POLICY OF AUTOMOBILE INSURANCE.

7 (C) ~~(b)~~—"Board" means the board of directors of THE MICHIGAN  
8 AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY CREATED  
9 UNDER SECTION 6104 OR, BEFORE THE MICHIGAN AUTOMOBILE INSURANCE  
10 FRAUD AND THEFT PREVENTION AUTHORITY IS CREATED AND AFTER IT IS  
11 DISSOLVED, THE BOARD OF DIRECTORS OF the automobile theft  
12 prevention authority.

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

18 (E) ~~(e)~~—"Economic automobile theft" means automobile theft  
19 perpetrated for financial gain.

20 (F) "FACILITY" MEANS THE MICHIGAN AUTOMOBILE INSURANCE  
21 PLACEMENT FACILITY CREATED UNDER CHAPTER 33.

22 SEC. 6104. (1) BEGINNING JANUARY 1, 2018, THE MICHIGAN  
23 AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY IS  
24 CREATED WITHIN THE FACILITY. THE FACILITY SHALL PROVIDE STAFF FOR  
25 THE AUTHORITY AND SHALL CARRY OUT THE ADMINISTRATIVE DUTIES AND  
26 FUNCTIONS AS DIRECTED BY THE BOARD OF DIRECTORS.

27 (2) THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT

1 PREVENTION AUTHORITY IS NOT A STATE AGENCY, AND THE MONEY OF THE  
2 AUTHORITY IS NOT STATE MONEY. A RECORD OF THE AUTHORITY IS EXEMPT  
3 FROM DISCLOSURE UNDER SECTION 13 OF THE FREEDOM OF INFORMATION ACT,  
4 1976 PA 442, MCL 15.243.

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

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

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

13 (4) THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT  
14 PREVENTION AUTHORITY MAY PROVIDE FINANCIAL SUPPORT TO LAW  
15 ENFORCEMENT, PROSECUTORIAL, INSURANCE, EDUCATION, OR TRAINING  
16 ASSOCIATIONS FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF  
17 AUTOMOBILE INSURANCE FRAUD AND THEFT.

18 (5) THE PURPOSES, POWERS, AND DUTIES OF THE MICHIGAN  
19 AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY ARE  
20 VESTED IN AND EXERCISED BY A BOARD OF DIRECTORS. THE BOARD OF  
21 DIRECTORS CONSISTS OF 15 MEMBERS AS FOLLOWS:

22 (A) NINE MEMBERS WHO REPRESENT AUTOMOBILE INSURERS IN THIS  
23 STATE SUBJECT TO THE FOLLOWING:

24 (i) AT LEAST 2 MEMBERS WHO REPRESENT INSURER GROUPS WITH  
25 350,000 OR MORE CAR YEARS.

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



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

3           (B) THE DIRECTOR OF THE DEPARTMENT OR HIS OR HER DESIGNEE.

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

5           (D) TWO MEMBERS WHO REPRESENT LAW ENFORCEMENT AGENCIES IN THIS  
6 STATE.

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

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

10           (6) THE INSURER MEMBERS ON THE BOARD UNDER SUBSECTION (5)  
11 SHALL BE ELECTED BY AUTOMOBILE INSURERS DOING BUSINESS IN THIS  
12 STATE FROM A LIST OF NOMINEES PROPOSED BY THE BOARD OF GOVERNORS OF  
13 THE FACILITY. IN PREPARING THE LIST OF NOMINEES FOR THE INSURER  
14 MEMBERS, THE BOARD OF GOVERNORS OF THE FACILITY SHALL SOLICIT  
15 NOMINATIONS FROM AUTOMOBILE INSURERS DOING BUSINESS IN THIS STATE.

16           (7) THE GOVERNOR SHALL APPOINT THE LAW ENFORCEMENT MEMBERS ON  
17 THE BOARD UNDER SUBSECTION (5) WITH THE ADVICE AND CONSENT OF THE  
18 SENATE. IN APPOINTING THE LAW ENFORCEMENT MEMBERS, THE GOVERNOR  
19 SHALL COMPLY WITH ALL OF THE FOLLOWING:

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

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

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

1           (8) THE GOVERNOR SHALL APPOINT THE PROSECUTING ATTORNEY MEMBER  
2 ON THE BOARD UNDER SUBSECTION (5) WITH THE ADVICE AND CONSENT OF  
3 THE SENATE. IN APPOINTING THE PROSECUTING ATTORNEY MEMBER, THE  
4 GOVERNOR SHALL SOLICIT INPUT FROM VARIOUS PROSECUTING ATTORNEY  
5 ASSOCIATIONS IN THIS STATE.

6           (9) THE GOVERNOR SHALL APPOINT THE PUBLIC MEMBER ON THE BOARD  
7 UNDER SUBSECTION (5) WITH THE ADVICE AND CONSENT OF THE SENATE. THE  
8 PUBLIC MEMBER MUST BE A RESIDENT OF THIS STATE AND MUST NOT BE  
9 EMPLOYED BY OR UNDER CONTRACT WITH A STATE OR LOCAL UNIT OF  
10 GOVERNMENT OR AN INSURER.

11           (10) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A MEMBER  
12 OF THE BOARD SHALL SERVE FOR A TERM OF 4 YEARS AND UNTIL HIS OR HER  
13 SUCCESSOR IS APPOINTED AND QUALIFIED. FOR THE MEMBERS FIRST ELECTED  
14 OR APPOINTED UNDER THIS SECTION, 3 INSURER MEMBERS AND 1 LAW  
15 ENFORCEMENT MEMBER SHALL SERVE FOR A TERM OF 2 YEARS; 3 INSURER  
16 MEMBERS, THE PROSECUTING ATTORNEY MEMBER, AND THE GENERAL PUBLIC  
17 MEMBER SHALL SERVE FOR A TERM OF 3 YEARS; AND 3 INSURER MEMBERS AND  
18 1 LAW ENFORCEMENT MEMBER SHALL SERVE FOR A TERM OF 4 YEARS.

19           (11) THE BOARD IS DISSOLVED ON JANUARY 1, 2023.

20           SEC. 6104A. (1) MEMBERS OF THE BOARD SHALL SERVE WITHOUT  
21 COMPENSATION FOR THEIR MEMBERSHIP ON THE BOARD, EXCEPT THAT MEMBERS  
22 OF THE BOARD SHALL RECEIVE REASONABLE REIMBURSEMENT FOR NECESSARY  
23 TRAVEL AND EXPENSES.

24           (2) A MAJORITY OF THE MEMBERS OF THE BOARD CONSTITUTE A QUORUM  
25 FOR THE TRANSACTION OF BUSINESS AT A MEETING, OR THE EXERCISE OF A  
26 POWER OR FUNCTION OF THE AUTHORITY, NOTWITHSTANDING THE EXISTENCE  
27 OF 1 OR MORE VACANCIES. NOTWITHSTANDING ANY OTHER PROVISION OF LAW,

1 ACTION MAY BE TAKEN BY THE AUTHORITY AT A MEETING ON A VOTE OF THE  
2 MAJORITY OF ITS MEMBERS PRESENT IN PERSON OR THROUGH THE USE OF  
3 AMPLIFIED TELEPHONIC EQUIPMENT, IF AUTHORIZED BY THE BYLAWS OR PLAN  
4 OF OPERATION OF THE BOARD. THE AUTHORITY SHALL MEET AT THE CALL OF  
5 THE CHAIR OR AS MAY BE PROVIDED IN THE BYLAWS OF THE AUTHORITY.  
6 MEETINGS OF THE AUTHORITY MAY BE HELD ANYWHERE WITHIN THIS STATE.

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

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

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

23 (B) TO CONSULT WITH ITS ATTORNEY.

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

26 (5) THE BOARD SHALL DISPLAY INFORMATION CONCERNING THE  
27 AUTHORITY'S OPERATIONS AND ACTIVITIES, INCLUDING, BUT NOT LIMITED

1 TO, THE ANNUAL FINANCIAL REPORT REQUIRED UNDER SECTION 6110, ON A  
2 PUBLICLY ACCESSIBLE INTERNET WEBSITE.

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

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

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

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

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

16 (7) THIS SECTION DOES NOT APPLY BEFORE THE AUTHORITY IS  
17 CREATED UNDER SECTION 6104(1) OR AFTER THE BOARD IS DISSOLVED UNDER  
18 SECTION 6104(11).

19 SEC. 6104B. (1) BEFORE JANUARY 2, 2018, THE DEPARTMENT OF  
20 STATE POLICE SHALL TRANSFER ALL ASSETS OF THE AUTOMOBILE THEFT  
21 PREVENTION AUTHORITY TO THE FACILITY FOR THE BENEFIT OF THE  
22 MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY.

23 (2) BEFORE JANUARY 1, 2023, THE AUTHORITY SHALL TRANSFER ALL  
24 ASSETS OF THE AUTHORITY TO THE DEPARTMENT OF STATE POLICE FOR THE  
25 BENEFIT OF THE AUTOMOBILE THEFT PREVENTION AUTHORITY.

26 (3) AFTER DECEMBER 31, 2022, THE AUTOMOBILE THEFT PREVENTION  
27 AUTHORITY BOARD OF DIRECTORS SHALL REINSTATE AND OPERATE THE

1 AUTOMOBILE THEFT PREVENTION AUTHORITY IN THE SAME MANNER THAT IT  
2 WAS OPERATED BEFORE JANUARY 1, 2018.

3 (4) ON JANUARY 1, 2023, THE MICHIGAN AUTOMOBILE INSURANCE  
4 FRAUD AND THEFT PREVENTION AUTHORITY, AS HOUSED IN THE FACILITY, IS  
5 DISSOLVED.

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

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

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

20 (c) Make grants and investments.

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

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

26 (f) Contract for goods and services and engage personnel as is  
27 necessary. ~~, including the services of private consultants,~~

1 ~~managers, counsel, auditors, and others for rendering professional,~~  
2 ~~management, and technical assistance and advice, payable out of any~~  
3 ~~money of the fund legally available for this purpose.~~

4 (g) Indemnify and procure insurance indemnifying any member of  
5 the board from personal loss or accountability from liability  
6 resulting from a member's action or inaction as a member of the  
7 board.

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

14 **SEC. 6107A. (1) SECTION 6107 DOES NOT APPLY FROM JANUARY 1,**  
15 **2018 TO DECEMBER 31, 2022.**

16 **(2) BEFORE APRIL 1 OF 2018, 2019, 2020, 2021, AND 2022, EACH**  
17 **INSURER AND EACH SELF-INSURER ENGAGED IN WRITING INSURANCE**  
18 **COVERAGES THAT PROVIDE THE SECURITY REQUIRED BY SECTION 3101(1)**  
19 **WITHIN THIS STATE, AS A CONDITION OF ITS AUTHORITY TO TRANSACT**  
20 **INSURANCE IN THIS STATE, SHALL PAY TO THE FACILITY, FOR DEPOSIT**  
21 **INTO THE ACCOUNT OF THE AUTHORITY, AN ASSESSMENT DETERMINED BY THE**  
22 **FACILITY AS PROVIDED IN THE PLAN OF OPERATION. THE ASSESSMENT TO**  
23 **EACH INSURER AND SELF-INSURER MUST BE BASED ON THE RATIO OF ITS CAR**  
24 **YEARS WRITTEN TO THE STATEWIDE TOTAL CAR YEARS FOR ALL INSURERS AND**  
25 **SELF-INSURERS.**

26 **(3) THE FACILITY SHALL SEGREGATED MONEY RECEIVED UNDER**  
27 **SUBSECTION (2), AND ALL OTHER MONEY RECEIVED BY THE AUTHORITY, FROM**

1 OTHER MONEY OF THE FACILITY, IF APPLICABLE. THE MONEY MUST ONLY BE  
2 EXPENDED AS DIRECTED BY THE BOARD.

3 (4) FROM THE MONEY RECEIVED ANNUALLY UNDER SUBSECTION (2), THE  
4 BOARD SHALL NOT REDUCE THE AMOUNT OF MONEY AVAILABLE TO PROVIDE  
5 FINANCIAL SUPPORT FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF  
6 AUTOMOBILE THEFT BELOW \$6,250,000.00.

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

12 (2) THE DEPARTMENT OF STATE POLICE SHALL COOPERATE WITH THE  
13 AUTHORITY AND SHALL PROVIDE AVAILABLE MOTOR VEHICLE FRAUD AND THEFT  
14 STATISTICS TO THE AUTHORITY ON REQUEST.

15 (3) THIS SECTION ONLY APPLIES AFTER THE MICHIGAN AUTOMOBILE  
16 INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY IS CREATED AND  
17 BEFORE IT IS DISSOLVED.

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

20 (1) ~~(2)~~ **OF THE AUTOMOBILE THEFT**  
21 **PREVENTION AUTHORITY MUST** include an assessment of the scope of the  
22 problem of automobile theft, including particular areas of the  
23 state where the problem is greatest; an analysis of various methods  
24 of combating the problem of automobile theft and economic  
25 automobile theft; a plan for providing financial support to combat  
26 automobile theft and economic automobile theft; and an estimate of  
27 the ~~funds~~ **MONEY** required to implement the plan.

1           (2) ~~(3) The~~ **BEFORE THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND**  
2 **THEFT PREVENTION AUTHORITY IS CREATED AND AFTER IT IS DISSOLVED,**  
3 **THE AUTOMOBILE THEFT PREVENTION** authority shall report annually on  
4 or before February 1 to the governor and the legislature on its  
5 activities in the preceding year.

6           (3) **BEGINNING JANUARY 1 OF THE YEAR AFTER THE EFFECTIVE DATE**  
7 **OF THE AMENDATORY ACT THAT ADDED SECTION 6104 AND UNTIL IT IS**  
8 **DISSOLVED, THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT**  
9 **PREVENTION AUTHORITY SHALL PREPARE AND PUBLISH AN ANNUAL FINANCIAL**  
10 **REPORT AND AN ANNUAL REPORT TO THE LEGISLATURE ON ITS EFFORTS TO**  
11 **PREVENT AUTOMOBILE INSURANCE FRAUD AND COST SAVINGS THAT HAVE**  
12 **RESULTED FROM ITS EFFORTS.**

13           Sec. 6111. By July 1 of every ~~odd~~ **EVEN** numbered year, the  
14 ~~automobile theft prevention authority~~ shall prepare a report that  
15 details the theft of automobiles **AND, AFTER THE MICHIGAN AUTOMOBILE**  
16 **INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY IS CREATED AND**  
17 **BEFORE IT IS DISSOLVED, AUTOMOBILE INSURANCE FRAUD** occurring in  
18 this state for the previous 2 years, assesses the impact of the  
19 thefts **AND FRAUD** on rates charged for automobile insurance,  
20 summarizes prevention programs, and outlines allocations made by  
21 the authority. ~~The director of the department of state police,~~  
22 **MEMBERS OF THE BOARD,** insurers, and the ~~commissioner~~ **DIRECTOR** shall  
23 cooperate in the development of the report as requested by the  
24 ~~automobile theft prevention authority~~ and shall make available  
25 records and statistics concerning automobile thefts, including the  
26 number of automobile thefts, number of prosecutions and convictions  
27 involving automobile thefts, and automobile theft recidivism, **AND,**



1 **AS APPLICABLE, AUTOMOBILE INSURANCE FRAUD, INCLUDING THE NUMBER OF**  
2 **INSTANCES OF SUSPECTED AND CONFIRMED INSURANCE FRAUD, NUMBER OF**  
3 **PROSECUTIONS AND CONVICTIONS INVOLVING AUTOMOBILE INSURANCE FRAUD,**  
4 **AND AUTOMOBILE INSURANCE FRAUD RECIDIVISM.** The ~~automobile theft~~  
5 ~~prevention~~ authority shall evaluate the impact automobile theft  
6 **AND, AS APPLICABLE, AUTOMOBILE INSURANCE FRAUD** has on the citizens  
7 of this state and the costs incurred by the citizens through  
8 insurance, police enforcement, prosecution, and incarceration due  
9 to automobile thefts **AND AUTOMOBILE INSURANCE FRAUD.** The report  
10 required by this section shall be submitted to the senate and house  
11 of representatives standing committees on insurance issues and the  
12 ~~commissioner~~. **DIRECTOR.**

13 Enacting section 1. Except as provided in enacting section 2,  
14 this amendatory act takes effect 90 days after the date it is  
15 enacted into law.

16 Enacting section 2. The title, the heading of chapter 61, and  
17 sections 3301, 3330, 4501, 6101, 6105, 6110, and 6111 of the  
18 insurance code of 1956, 1956 PA 218, MCL 500.3301, 500.3330,  
19 500.4501, 500.6101, 500.6105, 500.6110, and 500.6111, as amended by  
20 this amendatory act, and sections 6104, 6104a, 6104b, 6107a, and  
21 6108 of the insurance code of 1956, 1956 PA 218, as added by this  
22 amendatory act, take effect January 1, 2018.