

**SUBSTITUTE FOR
SENATE BILL NO. 1014**

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending the title and sections 3101a, 3107, 3114, 3115, 3163, 3172, 3173, 3173a, 3174, 3175, 3177, and 4501 (MCL 500.3101a, 500.3107, 500.3114, 500.3115, 500.3163, 500.3172, 500.3173, 500.3173a, 500.3174, 500.3175, 500.3177, and 500.4501), the title as amended by 2002 PA 304, section 3101a as amended by 2014 PA 419, section 3107 as amended by 2012 PA 542, section 3114 as amended by 2016 PA 347, section 3163 as amended by 2002 PA 697, sections 3172, 3173a, 3174, and 3175 as amended by 2012 PA 204, section 3177 as amended by 1984 PA 426, and section 4501 as amended by 2012 PA 39, and by adding section 3107c and chapter 63.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1

TITLE

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

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

27 Sec. 3101a. (1) ~~Except as otherwise provided in this section,~~

1 ~~an insurer, in conjunction with the issuance of an automobile~~
2 ~~insurance policy, as defined in section 3303, shall provide 2~~
3 ~~certificates of insurance for each insured vehicle. The insurer~~
4 ~~shall mark 1 of the certificates as the secretary of state's copy,~~
5 ~~which copy, except as otherwise provided in this section, shall be~~
6 ~~filed with the secretary of state by the policyholder upon~~
7 ~~application for a vehicle registration. The secretary of state~~
8 ~~shall not maintain the certificate of insurance received under this~~
9 ~~subsection on file.~~

10 (1) ~~(2) Beginning December 30, 2011, an AN insurer, in~~
11 ~~conjunction with the issuance of an automobile insurance policy,~~
12 ~~shall provide to the insured 1 certificate of insurance for each~~
13 ~~insured vehicle, and for private passenger nonfleet automobiles~~
14 ~~listed on the policy shall supply to the secretary of state, in~~
15 ~~the format and timeline as required by the secretary of state,~~
16 ~~which shall not be required more frequently than every 14 days, the~~
17 ~~automobile insurer's name, the NAME OF THE named insured, the named~~
18 ~~insured's address, the vehicle identification number for each such~~
19 **PRIVATE PASSENGER NONFLEET** vehicle listed on the policy, and the
20 policy number. **THE INSURER SHALL SUPPLY THE INFORMATION REQUIRED**
21 **UNDER THIS SUBSECTION IN THE FORMAT AND ON A TIMELINE AS REQUIRED**
22 **BY THE SECRETARY OF STATE. THE SECRETARY OF STATE SHALL NOT REQUIRE**
23 **THE SUBMISSION OF INFORMATION UNDER THIS SUBSECTION MORE FREQUENTLY**
24 **THAN EVERY 14 DAYS. IN DETERMINING THE FORMAT UNDER THIS**
25 **SUBSECTION, THE SECRETARY OF STATE SHALL CONSULT WITH INSURERS. AS**
26 **USED IN THIS SUBSECTION, "PRIVATE PASSENGER NONFLEET AUTOMOBILE"**
27 **MEANS THAT TERM AS DEFINED IN SECTION 3303.**

1 (2) THE SECRETARY OF STATE SHALL PROVIDE POLICY INFORMATION
2 RECEIVED UNDER SUBSECTION (1) TO THE MICHIGAN AUTOMOBILE INSURANCE
3 PLACEMENT FACILITY AS REQUIRED FOR THE MICHIGAN AUTOMOBILE
4 INSURANCE PLACEMENT FACILITY TO COMPLY WITH THIS ACT.

5 (3) Until December 31, 2018, the secretary of state shall
6 provide policy information received under ~~this~~ subsection (1) to
7 the department of ~~community health~~ **AND HUMAN SERVICES** as required
8 for the department of ~~community health~~ **AND HUMAN SERVICES** to comply
9 with 2006 PA 593, MCL 550.281 to 550.289. ~~In determining the format~~
10 ~~under this subsection, the secretary of state shall consult with~~
11 ~~insurers. As used in this subsection, "private passenger nonfleet~~
12 ~~automobile" means that term as defined in section 3303.~~

13 (4) ~~(3)~~ The secretary of state shall accept as proof of
14 vehicle insurance a transmission of the insured vehicle's vehicle
15 identification number. Policy information submitted by an insurer
16 and received by the secretary of state under this section is
17 confidential, is not subject to the freedom of information act,
18 1976 PA 442, MCL 15.231 to 15.246, and ~~shall~~ **MUST** not be disclosed
19 to any person except the department of ~~community health~~ **AND HUMAN**
20 **SERVICES** for purposes of 2006 PA 593, MCL 550.281 to 550.289, or
21 pursuant to an order by a court of competent jurisdiction in
22 connection with a claim or fraud investigation or prosecution. The
23 transmission to the secretary of state of a vehicle identification
24 number is proof of insurance to the secretary of state for motor
25 vehicle registration purposes only and is not evidence that a
26 policy of insurance actually exists between an insurer and an
27 individual.

1 (5) ~~(4)~~—A person who supplies false information to the
 2 secretary of state under this section or who issues or uses an
 3 altered, fraudulent, or counterfeit certificate of insurance is
 4 guilty of a misdemeanor punishable by imprisonment for not more
 5 than 1 year or a fine of not more than \$1,000.00, or both.

6 (6) ~~(5)~~—The department of ~~community health~~ **AND HUMAN SERVICES**
 7 shall report to the senate and house of representatives
 8 appropriations committees and standing committees concerning
 9 insurance issues on the number of claims and total dollar amount
 10 recovered from automobile insurers ~~pursuant to~~ **UNDER** 2006 PA 593,
 11 MCL 550.281 to 550.289. The reports required by this subsection
 12 ~~shall~~ **MUST** be given to the appropriations committees and standing
 13 committees concerning insurance issues by December 30 of each year
 14 through December 30, 2018 and ~~shall~~ **MUST** cover the preceding 12-
 15 month period.

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

19 (a) Allowable expenses consisting of all reasonable charges,
 20 ~~incurred~~ **UP TO THE MAXIMUM LIMIT SELECTED UNDER SECTION**
 21 **3109B(1)(A), IF APPLICABLE**, for reasonably necessary products,
 22 services, and accommodations for an injured person's care,
 23 recovery, or rehabilitation. ~~Allowable expenses within personal~~
 24 ~~protection insurance coverage shall not include~~ **PAYMENT TO**
 25 **PROVIDERS FOR THOSE PRODUCTS, SERVICES, AND ACCOMMODATIONS ARE**
 26 **SUBJECT TO THE LIMITS IN SECTION 3107C. HOWEVER, PERSONAL**
 27 **PROTECTION INSURANCE BENEFITS ARE NOT PAYABLE FOR** either of the

1 following:

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

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

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

1 date of change in the maximum.

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

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

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

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

22 **SEC. 3107C. (1) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTIONS**
 23 **(2) AND (3), ALL OF THE FOLLOWING APPLY TO ALLOWABLE EXPENSES UNDER**
 24 **SECTION 3107(1)(A) FOR ATTENDANT CARE PROVIDED IN THE HOME BY A**
 25 **FAMILY OR HOUSEHOLD MEMBER:**

26 **(A) FOR THE FIRST 56 HOURS OF ATTENDANT CARE PROVIDED IN A**
 27 **WEEK, PAYMENT IS LIMITED TO A REASONABLE AND CUSTOMARY AMOUNT.**

1 (B) FOR ATTENDANT CARE IN EXCESS OF 56 HOURS PROVIDED IN A
2 WEEK, PAYMENT IS LIMITED TO \$15.00 PER HOUR. BEGINNING 3 YEARS
3 AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS
4 SECTION AND EVERY 3 YEARS AFTER THAT DATE, THE DIRECTOR SHALL
5 ADJUST THIS AMOUNT TO REFLECT THE AGGREGATE PERCENTAGE CHANGE IN
6 THE UNITED STATES CONSUMER PRICE INDEX, ROUNDED TO THE NEAREST 10
7 CENTS. AS USED IN THIS SUBDIVISION, "CONSUMER PRICE INDEX" MEANS
8 THE PERCENTAGE OF CHANGE IN THE CONSUMER PRICE INDEX FOR ALL URBAN
9 CONSUMERS IN THE UNITED STATES CITY AVERAGE FOR ALL ITEMS, AS
10 REPORTED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR
11 STATISTICS, AND AS CERTIFIED BY THE DIRECTOR.

12 (C) THE LIMITATIONS IN SUBDIVISIONS (A) AND (B) APPLY
13 REGARDLESS OF THE LEVEL OF CARE PROVIDED AND REGARDLESS OF WHETHER
14 THE FAMILY OR HOUSEHOLD MEMBER IS LICENSED OR OTHERWISE AUTHORIZED
15 TO RENDER THE ATTENDANT CARE UNDER ARTICLE 15 OF THE PUBLIC HEALTH
16 CODE, 1978 PA 368, MCL 333.16101 TO 333.18838, OR IS EMPLOYED BY,
17 UNDER CONTRACT WITH, OR IN ANY WAY CONNECTED WITH AN INDIVIDUAL OR
18 AGENCY WHO IS LICENSED OR AUTHORIZED TO RENDER THE CARE.

19 (2) EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (3), FOR
20 ALLOWABLE EXPENSES UNDER SECTION 3107(1)(A) FOR ATTENDANT CARE
21 PROVIDED IN THE HOME, WHETHER BY A FAMILY OR HOUSEHOLD MEMBER OR BY
22 SOMEONE OTHER THAN A FAMILY OR HOUSEHOLD MEMBER, PAYMENT IS LIMITED
23 TO A TOTAL OF 24 HOURS PER DAY FOR SERVICES PERFORMED BY 1 OR MORE
24 INDIVIDUALS.

25 (3) NOTWITHSTANDING THE LIMITATIONS IN THIS SECTION, AN
26 INSURER MAY CONTRACT TO PROVIDE ATTENDANT CARE AS AN ALLOWABLE
27 EXPENSE AT ANY RATE AND FOR ANY NUMBER OF HOURS PER WEEK.

1 Sec. 3114. (1) Except as provided in subsections (2), (3), and
2 (5), **AND (6)**, a personal protection insurance policy described in
3 section 3101(1) applies to accidental bodily injury to the person
4 named in the policy, the person's spouse, and a relative of either
5 domiciled in the same household, if the injury arises from a motor
6 vehicle accident. A personal injury insurance policy described in
7 section 3103(2) applies to accidental bodily injury to the person
8 named in the policy, the person's spouse, and a relative of either
9 domiciled in the same household, if the injury arises from a
10 motorcycle accident. If personal protection insurance benefits or
11 personal injury benefits described in section 3103(2) are payable
12 to or for the benefit of an injured person under his or her own
13 policy and would also be payable under the policy of his or her
14 spouse, relative, or relative's spouse, the injured person's
15 insurer shall pay all of the benefits and is not entitled to
16 recoupment from the other insurer.

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

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

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

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

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

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

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

9 (g) A transportation network company vehicle.

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

16 (4) Except as provided in subsections ~~(1) to (2)~~ **AND** (3), a
17 person ~~suffering~~ **WHO SUFFERS** accidental bodily injury arising from
18 a motor vehicle accident while an occupant of a motor vehicle **WHO**
19 **IS NOT COVERED UNDER A PERSONAL PROTECTION INSURANCE POLICY AS**
20 **PROVIDED IN SUBSECTION (1)** shall claim personal protection
21 insurance benefits ~~from insurers in the following order of~~
22 ~~priority:~~

23 ~~—— (a) The insurer of the owner or registrant of the vehicle~~
24 ~~occupied.~~

25 ~~—— (b) The insurer of the operator of the vehicle occupied.~~ **UNDER**
26 **THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO 3175.**

27 (5) ~~A~~ **EXCEPT AS PROVIDED IN SUBSECTION (6), A** person suffering

1 **WHO SUFFERS** accidental bodily injury arising from a motor vehicle
2 accident that shows evidence of the involvement of a motor vehicle
3 while an operator or passenger of a motorcycle shall claim personal
4 protection insurance benefits from insurers in the following order
5 of priority:

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

8 (b) The insurer of the operator of the motor vehicle involved
9 in the accident.

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

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

14 (6) **FOR A PERSONAL PROTECTION INSURANCE POLICY AS TO WHICH THE**
15 **INSURED HAS ELECTED THE MAXIMUM BENEFIT LEVEL UNDER SECTION**
16 **3109B(1) (A), BOTH OF THE FOLLOWING APPLY:**

17 (A) **AN INJURED PERSON WHO IS A RELATIVE OF EITHER THE PERSON**
18 **NAMED IN THE POLICY OR THE PERSON'S SPOUSE, WHO IS DOMICILED IN THE**
19 **SAME HOUSEHOLD AS THE PERSON NAMED IN THE POLICY OR THE PERSON'S**
20 **SPOUSE, AND WHO WOULD, BUT FOR THE ELECTION OF REDUCED BENEFITS, BE**
21 **ENTITLED TO CLAIM BENEFITS UNDER THE POLICY UNDER SUBSECTION (1),**
22 **IS NOT ENTITLED TO CLAIM BENEFITS UNDER THE POLICY, BUT IS ENTITLED**
23 **TO CLAIM BENEFITS UNDER THE ASSIGNED CLAIMS PLAN MAINTAINED UNDER**
24 **SECTION 3171.**

25 (B) **A PERSON WHO, WHILE AN OPERATOR OR PASSENGER OF A**
26 **MOTORCYCLE, SUFFERS ACCIDENTAL BODILY INJURY ARISING FROM A MOTOR**
27 **VEHICLE ACCIDENT THAT SHOWS EVIDENCE OF THE INVOLVEMENT OF A MOTOR**

1 VEHICLE INSURED UNDER THE POLICY IS ENTITLED TO CLAIM BENEFITS AS
2 PROVIDED UNDER SUBSECTION (5) (C) OR (D), IF APPLICABLE, OR UNDER
3 THE ASSIGNED CLAIMS PLAN MAINTAINED UNDER SECTION 3171.

4 (7) ~~(6)~~—If 2 or more insurers are in the same order of
5 priority to provide personal protection insurance benefits under
6 subsection (5), an insurer ~~paying~~ **THAT PAYS** benefits due is
7 entitled to partial recoupment from the other insurers in the same
8 order of priority, and a reasonable amount of partial recoupment of
9 the expense of processing the claim, in order to accomplish
10 equitable distribution of the loss among all of the insurers.

11 (8) ~~(7)~~—As used in this section:

12 (a) "Personal vehicle", "~~prearranged ride~~", and
13 "transportation network company digital network", **AND**
14 "**TRANSPORTATION NETWORK COMPANY PREARRANGED RIDE**" mean those terms
15 as defined in section 2 of the limousine, taxicab, and
16 transportation network company act, **2016 PA 345, MCL 257.2102**.

17 (b) "Transportation network company vehicle" means a personal
18 vehicle while the driver is logged on to the transportation network
19 company digital network or while the driver is engaged in a
20 **TRANSPORTATION NETWORK COMPANY** prearranged ride.

21 Sec. 3115. (1) Except as provided in ~~subsection (1) of section~~
22 ~~3114, 3114(1)~~, a person ~~suffering~~ **WHO SUFFERS** accidental bodily
23 injury while not an occupant of a motor vehicle shall claim
24 personal protection insurance benefits ~~from insurers in the~~
25 ~~following order of priority:~~

26 ~~—— (a) Insurers of owners or registrants of motor vehicles~~
27 ~~involved in the accident.~~

1 ~~———— (b) Insurers of operators of motor vehicles involved in the~~
2 ~~accident.~~ **UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO**
3 **3175.**

4 (2) ~~When~~ **IF** 2 or more insurers are in the same order of
5 priority to provide personal protection insurance benefits, an
6 insurer ~~paying~~ **THAT PAYS** benefits due is entitled to partial
7 recoupment from the other insurers in the same order of priority,
8 ~~together with~~ **AND** a reasonable amount of partial recoupment of the
9 expense of processing the claim, in order to accomplish equitable
10 distribution of the loss among ~~such~~ **THE** insurers.

11 (3) A limit ~~upon~~ **ON** the amount of personal protection
12 insurance benefits available because of accidental bodily injury to
13 1 person arising from 1 motor vehicle accident ~~shall~~ **MUST** be
14 determined without regard to the number of policies applicable to
15 the accident.

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

25 (2) ~~A nonadmitted~~ **AN** insurer **THAT IS NOT AUTHORIZED TO**
26 **TRANSACT AUTOMOBILE LIABILITY INSURANCE AND PERSONAL AND PROPERTY**
27 **PROTECTION INSURANCE IN THIS STATE** may voluntarily file the

1 certification described in subsection (1).

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

12 (4) If an insurer of an out-of-state resident is required to
13 provide benefits under subsections (1) to (3) to ~~that~~ **ANY** out-of-
14 state resident for accidental bodily injury ~~for an accident in~~
15 ~~which the out of state resident was not an occupant of a motor~~
16 ~~vehicle registered in this state,~~ **ARISING OUT OF THE OWNERSHIP,**
17 **OPERATION, OR USE OF A MOTOR VEHICLE AS A MOTOR VEHICLE,** the
18 insurer is only liable for the amount of ultimate loss sustained up
19 to ~~\$500,000.00.~~ **\$400,000.00. IF AN INSURER OF AN OUT-OF-STATE**
20 **RESIDENT IS REQUIRED TO PROVIDE BENEFITS UNDER SUBSECTIONS (1) TO**
21 **(3) TO ANY RESIDENT OF THIS STATE WHO IS NOT COVERED UNDER A**
22 **PERSONAL PROTECTION INSURANCE POLICY DESCRIBED IN SECTION 3101(1)**
23 **FOR ACCIDENTAL BODILY INJURY ARISING FROM THE OWNERSHIP, OPERATION,**
24 **OR USE OF A MOTOR VEHICLE IN THIS STATE, THE INSURER IS ONLY LIABLE**
25 **FOR THE AMOUNT OF ULTIMATE LOSS SUSTAINED UP TO THE AMOUNT OF**
26 **PERSONAL PROTECTION INSURANCE BENEFITS AN UNINSURED RESIDENT OF**
27 **THIS STATE WOULD BE ABLE TO RECEIVE UNDER THE ASSIGNED CLAIMS PLAN**

1 **UNDER SECTIONS 3171 TO 3175.** Benefits under this subsection are not
 2 recoverable to the extent that benefits covering the same loss are
 3 available from other sources, regardless of the nature or number of
 4 benefit sources available and regardless of the nature or form of
 5 the benefits.

6 Sec. 3172. (1) A person entitled to claim because of
 7 accidental bodily injury arising out of the ownership, operation,
 8 maintenance, or use of a motor vehicle as a motor vehicle in this
 9 state may obtain personal protection insurance benefits through the
 10 assigned claims plan if ~~no~~**ANY OF THE FOLLOWING EXIST:**

11 (A) **NO** personal protection insurance is applicable to the
 12 injury. ~~no~~

13 (B) **NO** personal protection insurance applicable to the injury
 14 can be identified. ~~the~~

15 (C) **THE** personal protection insurance applicable to the injury
 16 cannot be ascertained because of a dispute between 2 or more
 17 automobile insurers concerning their obligation to provide coverage
 18 or the equitable distribution of the loss. ~~or the~~

19 (D) **THE** only identifiable personal protection insurance
 20 applicable to the injury is, because of financial inability of 1 or
 21 more insurers to fulfill their obligations, inadequate to provide
 22 benefits up to the maximum prescribed. ~~In that case, unpaid~~

23 (2) **A PERSON MAKING A CLAIM UNDER SUBSECTION (1) HAS THE**
 24 **BURDEN OF PROVING THAT HE OR SHE IS ENTITLED TO OBTAIN PERSONAL**
 25 **PROTECTION INSURANCE BENEFITS THROUGH THE ASSIGNED CLAIMS PLAN.**
 26 **THERE IS A REBUTTABLE PRESUMPTION THAT THE PERSON IS ENTITLED TO**
 27 **HAVE THE CLAIM THAT IS NOT OTHERWISE DISQUALIFIED ASSIGNED TO AN**

1 INSURER THROUGH THE ASSIGNED CLAIMS PLAN IF HE OR SHE SUBMITS TO
2 THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY IN A MANNER
3 THAT COMPLIES WITH THE ASSIGNED CLAIMS PLAN AN APPLICATION MAKING A
4 CLAIM FOR PERSONAL PROTECTION INSURANCE BENEFITS THAT INCLUDES
5 SATISFACTORY PROOF OF LOSS, DOCUMENTATION SUPPORTING THAT DUE
6 DILIGENCE WAS EXERCISED, AND THE AMOUNT OF LOSS SUSTAINED.

7 (3) UNPAID benefits due or coming due AS DESCRIBED IN
8 SUBSECTION (1) may be collected under the assigned claims plan, and
9 the insurer to which the claim is assigned is entitled to
10 reimbursement from the defaulting insurers to the extent of their
11 financial responsibility.

12 (4) THE ASSIGNED CLAIMS PLAN GOVERNS THE REQUIREMENTS FOR AN
13 APPLICATION FOR PAYMENT OF PERSONAL PROTECTION INSURANCE BENEFITS
14 THROUGH THE ASSIGNED CLAIMS PLAN.

15 (5) ~~(2)~~—Except as otherwise provided in this subsection,
16 personal protection insurance benefits, including benefits arising
17 from accidents occurring before March 29, 1985, payable through the
18 assigned claims plan ~~shall~~**MUST** be reduced to the extent that
19 benefits covering the same loss are available from other sources,
20 regardless of the nature or number of benefit sources available and
21 regardless of the nature or form of the benefits, to a person
22 claiming personal protection insurance benefits through the
23 assigned claims plan. This subsection only applies if the personal
24 protection insurance benefits are payable through the assigned
25 claims plan ~~because no personal protection insurance is applicable~~
26 ~~to the injury, no personal protection insurance applicable to the~~
27 ~~injury can be identified, or the only identifiable personal~~

1 ~~protection insurance applicable to the injury is, because of~~
 2 ~~financial inability of 1 or more insurers to fulfill their~~
 3 ~~obligations, inadequate to provide benefits up to the maximum~~
 4 ~~prescribed. UNDER SUBSECTION (1) (A), (B), OR (D).~~ As used in this
 5 subsection, "sources" and "benefit sources" do not include the
 6 program for medical assistance for the medically indigent under the
 7 social welfare act, 1939 PA 280, MCL 400.1 to 400.119b, or
 8 ~~insurance under the health insurance for the aged act, title AND~~
 9 **DISABLED UNDER SUBCHAPTER XVIII** of the social security act, 42 USC
 10 1395 to ~~1395kkk 1-1395lll~~.

11 (6) ~~(3)~~ If the obligation to provide personal protection
 12 insurance benefits cannot be ascertained because of a dispute
 13 between 2 or more automobile insurers concerning their obligation
 14 to provide coverage or the equitable distribution of the loss, and
 15 if a method of voluntary payment of benefits cannot be agreed upon
 16 among or between the disputing insurers, all of the following
 17 apply:

18 (a) The insurers who are parties to the dispute shall, or the
 19 claimant may, immediately notify the Michigan automobile insurance
 20 placement facility of their inability to determine their statutory
 21 obligations.

22 (b) ~~The claim shall be assigned by the~~ Michigan automobile
 23 insurance placement facility **SHALL ASSIGN THE CLAIM** to an insurer
 24 and the insurer shall immediately provide personal protection
 25 insurance benefits to the claimant or claimants entitled to
 26 benefits.

27 (c) ~~An action~~ **THE INSURER TO WHOM THE CLAIM IS ASSIGNED** shall

1 ~~be immediately commenced~~ **COMMENCE AN ACTION** on behalf of the
2 Michigan automobile insurance placement facility ~~by the insurer to~~
3 ~~whom the claim is assigned~~ in circuit court to declare the rights
4 and duties of any interested party.

5 (d) The insurer to whom the claim is assigned shall join as
6 parties defendant to the action commenced under subdivision (c)
7 each insurer disputing either the obligation to provide personal
8 protection insurance benefits or the equitable distribution of the
9 loss among the insurers.

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

13 (f) After hearing the action, the circuit court shall
14 determine the insurer or insurers, if any, obligated to provide the
15 applicable personal protection insurance benefits and the equitable
16 distribution, if any, among the insurers obligated, and shall order
17 reimbursement to the Michigan automobile insurance placement
18 facility from the insurer or insurers to the extent of the
19 responsibility as determined by the court. The reimbursement
20 ordered under this subdivision ~~shall~~ **MUST** include all benefits and
21 costs paid or incurred by the Michigan automobile insurance
22 placement facility and all benefits and costs paid or incurred by
23 insurers determined not to be obligated to provide applicable
24 personal protection insurance benefits, including reasonable,
25 actually incurred attorney fees and interest at the rate prescribed
26 in section 3175 ~~as of~~ **APPLICABLE ON** December 31 of the year
27 preceding the determination of the circuit court.

1 (7) PERSONAL PROTECTION INSURANCE BENEFITS PAYABLE TO A PERSON
2 ELIGIBLE TO RECEIVE BENEFITS UNDER THE ASSIGNED CLAIMS PLAN ARE
3 LIMITED TO THE AMOUNT OF ULTIMATE LOSS SUSTAINED UP TO \$400,000.00.

4 (8) AS USED IN THIS CHAPTER, "ASSIGNED CLAIMS PLAN" MEANS THE
5 ASSIGNED CLAIMS PLAN ADOPTED AND MAINTAINED BY THE MICHIGAN
6 AUTOMOBILE INSURANCE PLACEMENT FACILITY AND APPROVED BY THE
7 DIRECTOR UNDER SECTION 3171.

8 Sec. 3173. A person ~~who because of a limitation or exclusion~~
9 ~~in sections 3105 to 3116~~ is disqualified from receiving personal
10 protection insurance benefits **THROUGH THE ASSIGNED CLAIMS PLAN IF**
11 **ANY OF THE FOLLOWING APPLY:**

12 (A) BECAUSE OF AN EXCLUSION IN SECTIONS 3105 TO 3116, THE
13 PERSON IS DISQUALIFIED under a policy otherwise applying to his OR
14 HER accidental bodily injury. ~~is also disqualified from receiving~~
15 ~~benefits under the assigned claims plan.~~

16 (B) BECAUSE OF A LIMITATION OR EXCLUSION UNDER A POLICY OF
17 AUTOMOBILE INSURANCE OTHERWISE APPLYING TO HIS OR HER ACCIDENTAL
18 BODILY INJURY, THE PERSON IS DISQUALIFIED FROM RECEIVING PERSONAL
19 PROTECTION INSURANCE BENEFITS.

20 (C) THE PERSON IS ELIGIBLE TO RECEIVE BENEFITS FOR HIS OR HER
21 ACCIDENTAL BODILY INJURY THROUGH THE MICHIGAN PROPERTY AND CASUALTY
22 GUARANTY ASSOCIATION MAINTAINED UNDER CHAPTER 79.

23 Sec. 3173a. (1) The Michigan automobile insurance placement
24 facility shall ~~make an initial determination of a claimant's~~
25 ~~eligibility~~ **REVIEW A CLAIM** for benefits under the assigned claims
26 plan and shall deny ~~an obviously ineligible~~ **A claim THAT IS**
27 **DETERMINED TO BE INELIGIBLE IN ACCORDANCE WITH THIS CHAPTER OR THE**

1 ASSIGNED CLAIMS PLAN. The MICHIGAN AUTOMOBILE INSURANCE PLACEMENT
2 FACILITY SHALL NOTIFY THE claimant ~~shall be notified~~ promptly in
3 writing of the denial and the reasons for the denial. A PERSON WHO
4 FAILS TO COOPERATE WITH THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT
5 FACILITY IN ACCORDANCE WITH THE ASSIGNED CLAIMS PLAN IS INELIGIBLE
6 FOR PERSONAL PROTECTION INSURANCE BENEFITS THROUGH THE ASSIGNED
7 CLAIMS PLAN UNLESS THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT
8 FACILITY DETERMINES THAT THE PERSON IS ELIGIBLE FOR PERSONAL
9 PROTECTION INSURANCE BENEFITS THROUGH THE ASSIGNED CLAIMS PLAN.

10 (2) IF A CLAIM IS NOT DETERMINED TO BE INELIGIBLE AFTER THE
11 REVIEW UNDER SUBSECTION (1), THE MICHIGAN AUTOMOBILE INSURANCE
12 PLACEMENT FACILITY SHALL ASSIGN THE CLAIM TO A SERVICING INSURER.
13 IF THE CLAIM IS ASSIGNED TO A SERVICING INSURER, THE SERVICING
14 INSURER SHALL MAKE THE FINAL DETERMINATION REGARDING A CLAIM FOR
15 PERSONAL PROTECTION INSURANCE BENEFITS. A PERSON WHO FAILS TO
16 COOPERATE WITH THE SERVICING INSURER IN ITS DETERMINATION REGARDING
17 THE CLAIM FOR PERSONAL PROTECTION INSURANCE BENEFITS IS INELIGIBLE
18 FOR THE PERSONAL PROTECTION INSURANCE BENEFITS UNLESS THE SERVICING
19 INSURER DETERMINES THAT THE CLAIM IS ELIGIBLE FOR PERSONAL
20 PROTECTION BENEFITS.

21 (3) ~~(2)~~—A person who presents or causes to be presented an
22 oral or written statement, including computer-generated
23 information, as part of or in support of a claim to the Michigan
24 automobile insurance placement facility OR TO AN INSURER ASSIGNED A
25 CLAIM BY THE MICHIGAN AUTOMOBILE PLACEMENT FACILITY for payment or
26 another benefit ~~knowing that~~ IF the statement contains false
27 information concerning a fact or thing material to the claim

1 commits a fraudulent insurance act under section 4503 that is
2 subject to the penalties imposed under section 4511. A claim that
3 contains or is supported by a fraudulent insurance act as described
4 in this subsection is ineligible for payment ~~or~~ **OF** benefits under
5 the assigned claims plan.

6 **(4) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY**
7 **CONTRACT WITH OTHER PERSONS FOR ALL OR A PORTION OF THE GOODS AND**
8 **SERVICES NECESSARY FOR OPERATING AND MAINTAINING THE ASSIGNED**
9 **CLAIMS PLAN.**

10 Sec. 3174. A person claiming through the assigned claims plan
11 shall notify the Michigan automobile insurance placement facility
12 of his or her claim ~~within the time that would have been allowed~~
13 ~~for filing an action for personal protection insurance benefits if~~
14 ~~identifiable coverage applicable to the claim had been in effect.~~
15 ~~The~~ **IN ACCORDANCE WITH SECTION 3145. ON AN INITIAL DETERMINATION OF**
16 **A CLAIMANT'S ELIGIBILITY FOR BENEFITS THROUGH THE ASSIGNED CLAIMS**
17 **PLAN, THE** Michigan automobile insurance placement facility shall
18 promptly assign the claim in accordance with the plan and notify
19 the claimant of the identity and address of the insurer to which
20 the claim is assigned. An action by ~~the~~ **A** claimant ~~shall not be~~
21 ~~commenced more than 30 days after receipt of notice of the~~
22 ~~assignment or the last date on which the action could have been~~
23 ~~commenced against an insurer of identifiable coverage applicable to~~
24 ~~the claim, whichever is later.~~ **MUST BE COMMENCED AS PROVIDED IN**
25 **SECTION 3145.**

26 Sec. 3175. (1) The assignment of claims under the assigned
27 claims plan shall be made according to procedures established in

1 the assigned claims plan that assure fair allocation of the burden
2 of assigned claims among insurers doing business in this state on a
3 basis reasonably related to the volume of automobile liability and
4 personal protection insurance they write on motor vehicles or the
5 number of self-insured motor vehicles. An insurer to whom claims
6 have been assigned shall make prompt payment of loss in accordance
7 with this act. An insurer is entitled to reimbursement by the
8 Michigan automobile insurance placement facility for the payments,
9 the established loss adjustment cost, and an amount determined by
10 use of the average annual 90-day United States treasury bill yield
11 rate, as reported by the council of economic advisers as of
12 December 31 of the year for which reimbursement is sought, as
13 follows:

14 (a) For the calendar year in which claims are paid by the
15 insurer, the amount ~~shall~~**MUST** be determined by applying the
16 specified annual yield rate specified in this subsection to 1/2 of
17 the total claims payments and loss adjustment costs.

18 (b) For the period from the end of the calendar year in which
19 claims are paid by the insurer to the date payments for the
20 operation of the assigned claims plan are due, the amount ~~shall~~
21 **MUST** be determined by applying the annual yield rate specified in
22 this subsection to the total claims payments and loss adjustment
23 costs multiplied by a fraction, the denominator of which is 365 and
24 the numerator of which is equal to the number of days that have
25 elapsed between the end of the calendar year and the date payments
26 for the operation of the assigned claims plan are due.

27 (2) ~~The~~**AN INSURER ASSIGNED A CLAIM BY THE MICHIGAN AUTOMOBILE**

1 INSURANCE PLACEMENT FACILITY UNDER THE ASSIGNED CLAIMS PLAN OR A
2 PERSON AUTHORIZED TO ACT ON BEHALF OF THE PLAN MAY BRING AN ACTION
3 FOR REIMBURSEMENT AND INDEMNIFICATION OF THE CLAIM ON BEHALF OF THE
4 MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY. THE insurer to
5 ~~whom claims have~~ WHICH THE CLAIM HAS been assigned shall preserve
6 and enforce rights to indemnity or reimbursement against third
7 parties and account to the Michigan automobile insurance placement
8 facility for the rights and shall assign the rights to the Michigan
9 automobile insurance placement facility on reimbursement by the
10 Michigan automobile insurance placement facility. This section does
11 not preclude an insurer from entering into reasonable compromises
12 and settlements with third parties against whom rights to indemnity
13 or reimbursement exist. The insurer shall account to the Michigan
14 automobile insurance placement facility for any compromises and
15 settlements. The procedures established under the assigned claims
16 plan ~~shall~~ MUST establish reasonable standards for enforcing rights
17 to indemnity or reimbursement against third parties, including a
18 standard establishing an amount below which actions to preserve and
19 enforce the rights need not be pursued.

20 (3) An action to enforce rights to indemnity or reimbursement
21 against a third party ~~shall~~ MUST not be commenced after the later
22 of ~~2~~ THE FOLLOWING:

23 (A) TWO years after the assignment of the claim to the
24 insurer. ~~or 1~~

25 (B) ONE year after the date of the last payment to the
26 claimant.

27 (C) ONE YEAR AFTER THE DATE THE RESPONSIBLE THIRD PARTY IS

1 **IDENTIFIED.**

2 (4) Payments for the operation of the assigned claims plan not
3 paid by the due date ~~shall bear~~ interest at the rate of 20% per
4 annum.

5 (5) The Michigan automobile insurance placement facility may
6 enter into a written agreement with the debtor permitting the
7 payment of the judgment or acknowledgment of debt in installments
8 payable to the Michigan automobile insurance placement facility. A
9 default in payment of installments under a judgment as agreed
10 subjects the debtor to suspension or revocation of his or her motor
11 vehicle license or registration in the same manner as for the
12 failure by an uninsured motorist to pay a judgment by installments
13 under section 3177, **INCLUDING RESPONSIBILITY FOR EXPENSES AS**
14 **PROVIDED IN SECTION 3177(4)**.

15 Sec. 3177. (1) ~~An~~**THE** insurer obligated to pay personal
16 protection insurance benefits for accidental bodily injury to a
17 person arising out of the ownership, maintenance, or use of an
18 uninsured motor vehicle as a motor vehicle may recover ~~such~~**ALL**
19 **benefits paid, and appropriate INCURRED** loss adjustment costs **AND**
20 **EXPENSES, AND** incurred **ATTORNEY FEES** from the owner or registrant
21 of the uninsured motor vehicle or from his or her estate. Failure
22 of ~~such a person~~**THE OWNER OR REGISTRANT** to make payment within 30
23 days after **A judgment IS ENTERED IN AN ACTION FOR RECOVERY UNDER**
24 **THIS SUBSECTION** is a ground for suspension or revocation of his or
25 her motor vehicle registration and license as defined in section 25
26 of the Michigan vehicle code, ~~Act No. 300 of the Public Acts of~~
27 ~~1949, being section 257.25 of the Michigan Compiled Laws. An 1949~~

1 PA 300, MCL 257.25. FOR PURPOSES OF THIS SECTION, AN uninsured
2 motor vehicle ~~for the purpose of this section~~ is a motor vehicle
3 with respect to which security as required by sections 3101 and
4 3102 is not in effect at the time of the accident.

5 (2) THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY
6 MAKE A WRITTEN AGREEMENT WITH THE OWNER OR REGISTRANT OF AN
7 UNINSURED VEHICLE OR HIS OR HER ESTATE PERMITTING THE PAYMENT OF A
8 JUDGMENT DESCRIBED IN SUBSECTION (1) IN INSTALLMENTS PAYABLE TO THE
9 MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY. The motor vehicle
10 registration and license ~~shall~~ OF AN OWNER OR REGISTRANT WHO MAKES
11 A WRITTEN AGREEMENT UNDER THIS SUBSECTION MUST not be suspended or
12 revoked and, ~~the motor vehicle registration and license shall~~ IF
13 ALREADY SUSPENDED OR REVOKED UNDER SUBSECTION (1), MUST be restored
14 if ~~the debtor enters into a written agreement with the secretary of~~
15 ~~state permitting the payment of the judgment in installments,~~ if
16 the payment of any installments is not in default.

17 (3) The secretary of state upon receipt of a certified
18 abstract of court record of a judgment DESCRIBED IN SUBSECTION (1)
19 or notice from ~~the~~ AN insurer OR THE MICHIGAN AUTOMOBILE INSURANCE
20 PLACEMENT FACILITY OR ITS DESIGNEE of an acknowledgment of A debt
21 DESCRIBED IN SUBSECTION (1) shall notify the owner or registrant of
22 ~~an uninsured vehicle~~ of the provisions of subsection (1) at ~~that~~
23 ~~person's~~ THE OWNER OR REGISTRANT'S last ~~recorded~~ address RECORDED
24 with the secretary of state and inform ~~that person~~ THE OWNER OR
25 REGISTRANT of the right to enter into a written agreement UNDER
26 THIS SECTION with the ~~secretary of state~~ MICHIGAN AUTOMOBILE
27 INSURANCE PLACEMENT FACILITY OR ITS DESIGNEE for the payment of the

1 judgment or debt in installments.

2 (4) EXPENSES FOR THE SUSPENSION, REVOCATION, OR REINSTATEMENT
3 OF A MOTOR VEHICLE REGISTRATION OR LICENSE UNDER THIS SECTION ARE
4 THE RESPONSIBILITY OF THE OWNER OR REGISTRANT OR OF HIS OR HER
5 ESTATE. AN OWNER OR REGISTRANT WHOSE REGISTRATION OR LICENSE IS
6 SUSPENDED UNDER THIS SECTION SHALL PAY ANY REINSTATEMENT FEE AS
7 REQUIRED UNDER SECTION 320E OF THE MICHIGAN VEHICLE CODE, 1949 PA
8 300, MCL 257.320E.

9 Sec. 4501. As used in this chapter:

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

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

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

24 (d) "Insurer" means a property-casualty insurer, life insurer,
25 third party administrator, self-funded plan, health insurer, health
26 maintenance organization, nonprofit dental care corporation, health
27 care corporation, reinsurer, or any other entity regulated by the

1 insurance laws of this state and providing any form of insurance.

2 (E) "MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY" MEANS THE
3 MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY CREATED UNDER SECTION
4 6302.

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

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

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

20 (I) ~~(h)~~—"Runner", "capper", or "steerer" means a person who
21 receives a pecuniary or other benefit from a practitioner, whether
22 directly or indirectly, for procuring or attempting to procure a
23 client, patient, or customer at the direction or request of, or in
24 cooperation with, a practitioner whose intent is to obtain benefits
25 under a contract of insurance or to assert a claim against an
26 insured or an insurer for providing services to the client,
27 patient, or customer. Runner, capper, or steerer does not include a

1 practitioner who procures clients, patients, or customers through
2 the use of public media.

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

9 CHAPTER 63

10 MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY

11 SEC. 6301. AS USED IN THIS CHAPTER:

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

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

18 (C) "CAR YEARS" MEANS NET DIRECT PRIVATE PASSENGER AND
19 COMMERCIAL NONFLEET VEHICLE YEARS OF INSURANCE PROVIDING THE
20 SECURITY REQUIRED BY SECTION 3101(1) WRITTEN IN THIS STATE FOR THE
21 SECOND PREVIOUS CALENDAR YEAR AS REPORTED TO THE STATISTICAL AGENT
22 OF EACH INSURER.

23 SEC. 6302. (1) THE MICHIGAN AUTOMOBILE INSURANCE FRAUD
24 AUTHORITY IS CREATED WITHIN THE DEPARTMENT OF THE ATTORNEY GENERAL.
25 THE DEPARTMENT OF THE ATTORNEY GENERAL SHALL PROVIDE STAFF FOR THE
26 AUTHORITY.

27 (2) WITH THE DISCRETION TO APPROVE OR DISAPPROVE PROGRAMS TO

1 BE SUPPORTED, THE AUTHORITY SHALL DO BOTH OF THE FOLLOWING:

2 (A) PROVIDE FINANCIAL SUPPORT TO STATE OR LOCAL LAW
3 ENFORCEMENT AGENCIES FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE
4 OF AUTOMOBILE INSURANCE FRAUD.

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

8 (3) THE AUTHORITY MAY PROVIDE FINANCIAL SUPPORT TO LAW
9 ENFORCEMENT, PROSECUTORIAL, INSURANCE, EDUCATION, OR TRAINING
10 ASSOCIATIONS FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF
11 AUTOMOBILE INSURANCE FRAUD.

12 SEC. 6304. ON JANUARY 1, 2024, THE AUTHORITY IS DISSOLVED.

13 SEC. 6305. THE AUTHORITY HAS THE POWERS NECESSARY TO CARRY OUT
14 ITS DUTIES UNDER THIS ACT, INCLUDING, BUT NOT LIMITED TO, THE POWER
15 TO DO THE FOLLOWING:

16 (A) SUE AND BE SUED.

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

21 (C) MAKE GRANTS AND INVESTMENTS.

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

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

27 (F) CONTRACT FOR GOODS AND SERVICES AND ENGAGE PERSONNEL AS

1 NECESSARY.

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

6 SEC. 6307. AN INSURER OR SELF-INSURER ENGAGED IN WRITING
7 INSURANCE COVERAGES THAT PROVIDE THE SECURITY REQUIRED BY SECTION
8 3101(1) IN THIS STATE MAY PAY TO THE AUTHORITY, MONEY TO BE USED BY
9 THE AUTHORITY TO CARRY OUT ITS DUTIES UNDER THIS CHAPTER.

10 SEC. 6308. (1) AN INSURER AUTHORIZED TO TRANSACT AUTOMOBILE
11 INSURANCE IN THIS STATE, AS A CONDITION OF ITS AUTHORITY TO
12 TRANSACT INSURANCE IN THIS STATE, SHALL REPORT AUTOMOBILE INSURANCE
13 FRAUD DATA TO THE AUTHORITY USING THE FORMAT AND PROCEDURES ADOPTED
14 BY THE AUTHORITY.

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

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

23 SEC. 6310. (1) BEGINNING JANUARY 1 OF THE YEAR AFTER THE
24 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, THE
25 AUTHORITY SHALL PREPARE AND PUBLISH AN ANNUAL FINANCIAL REPORT, AND
26 BEGINNING JULY 1 OF THE YEAR AFTER THE EFFECTIVE DATE OF THE
27 AMENDATORY ACT THAT ADDED THIS SECTION, THE AUTHORITY SHALL PREPARE

1 AND PUBLISH AN ANNUAL REPORT TO THE LEGISLATURE ON THE AUTHORITY'S
2 EFFORTS TO PREVENT AUTOMOBILE INSURANCE FRAUD AND COST SAVINGS THAT
3 HAVE RESULTED FROM THOSE EFFORTS.

4 (2) THE ANNUAL REPORT TO THE LEGISLATURE REQUIRED UNDER
5 SUBSECTION (1) MUST DETAIL THE AUTOMOBILE INSURANCE FRAUD OCCURRING
6 IN THIS STATE FOR THE PREVIOUS YEAR, ASSESS THE IMPACT OF THE FRAUD
7 ON RATES CHARGED FOR AUTOMOBILE INSURANCE, SUMMARIZE PREVENTION
8 PROGRAMS, AND OUTLINE ALLOCATIONS MADE BY THE AUTHORITY. INSURERS
9 AND THE DIRECTOR SHALL COOPERATE IN DEVELOPING THE REPORT AS
10 REQUESTED BY THE AUTHORITY AND SHALL MAKE AVAILABLE TO THE
11 AUTHORITY RECORDS AND STATISTICS CONCERNING AUTOMOBILE INSURANCE
12 FRAUD, INCLUDING THE NUMBER OF INSTANCES OF SUSPECTED AND CONFIRMED
13 INSURANCE FRAUD, NUMBER OF PROSECUTIONS AND CONVICTIONS INVOLVING
14 AUTOMOBILE INSURANCE FRAUD, AND AUTOMOBILE INSURANCE FRAUD
15 RECIDIVISM. THE AUTHORITY SHALL EVALUATE THE IMPACT AUTOMOBILE
16 INSURANCE FRAUD HAS ON THE CITIZENS OF THIS STATE AND THE COSTS
17 INCURRED BY THE CITIZENS THROUGH INSURANCE, POLICE ENFORCEMENT,
18 PROSECUTION, AND INCARCERATION BECAUSE OF AUTOMOBILE INSURANCE
19 FRAUD. THE AUTHORITY SHALL SUBMIT THE REPORT TO THE LEGISLATURE
20 REQUIRED BY THIS SECTION TO THE SENATE AND HOUSE OF REPRESENTATIVES
21 STANDING COMMITTEES WITH PRIMARY JURISDICTION OVER INSURANCE ISSUES
22 AND THE DIRECTOR.

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

26 Enacting section 2. The title and section 4501 of the
27 insurance code of 1956, 1956 PA 218, MCL 500.4501, as amended by

1 this amendatory act, and chapter 63 of the insurance code of 1956,
2 1956 PA 218, as added by this amendatory act, take effect January
3 1, 2019.

4 Enacting section 3. This amendatory act does not take effect
5 unless Senate Bill No. 787 of the 99th Legislature is enacted into
6 law.