

# SENATE BILL No. 820

February 13, 2018, Introduced by Senator ZORN and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending section 3101a (MCL 500.3101a), as amended by 2014 PA 419.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3101a. ~~(1) Except as otherwise provided in this section,~~  
2 ~~an insurer, in conjunction with the issuance of an automobile~~  
3 ~~insurance policy, as defined in section 3303, shall provide 2~~  
4 ~~certificates of insurance for each insured vehicle. The insurer~~  
5 ~~shall mark 1 of the certificates as the secretary of state's copy,~~  
6 ~~which copy, except as otherwise provided in this section, shall be~~  
7 ~~filed with the secretary of state by the policyholder upon~~  
8 ~~application for a vehicle registration. The secretary of state~~  
9 ~~shall not maintain the certificate of insurance received under this~~  
10 ~~subsection on file.~~

1           (1) ~~(2) Beginning December 30, 2011, an AN insurer, in~~  
2 conjunction with the issuance of an automobile insurance policy,  
3 shall provide to the insured 1 certificate of insurance for each  
4 insured vehicle, and, **SUBJECT TO SUBSECTION (6)**, for private  
5 passenger nonfleet automobiles listed on the policy shall supply to  
6 the secretary of state ~~, in the format and timeline as required by~~  
7 ~~the secretary of state, which shall not be required more frequently~~  
8 ~~than every 14 days,~~ the automobile insurer's name, the **NAME OF THE**  
9 named insured, the named insured's address, the vehicle  
10 identification number for each ~~such~~ vehicle listed on the policy,  
11 and the policy number. **THE INSURER SHALL TRANSMIT THE INFORMATION**  
12 **REQUIRED UNDER THIS SUBSECTION IN A FORMAT AS REQUIRED BY THE**  
13 **SECRETARY OF STATE. THE SECRETARY OF STATE SHALL NOT REQUIRE THE**  
14 **INFORMATION TO BE TRANSMITTED MORE FREQUENTLY THAN EVERY 14 DAYS.**

15           (2) Until December 31, 2018, **OR UNTIL THE INFORMATION IS NO**  
16 **LONGER SUPPLIED TO THE SECRETARY OF STATE AS PROVIDED IN SUBSECTION**  
17 **(6), WHICHEVER IS EARLIER,** the secretary of state shall provide  
18 policy information received under ~~this~~ subsection (1) to the  
19 department of ~~community health~~ **AND HUMAN SERVICES** as required for  
20 the department of ~~community health~~ **AND HUMAN SERVICES** to comply  
21 with 2006 PA 593, MCL 550.281 to 550.289. ~~In determining the format~~  
22 ~~under this subsection, the secretary of state shall consult with~~  
23 ~~insurers. As used in this subsection, "private passenger nonfleet~~  
24 ~~automobile" means that term as defined in section 3303.~~

25           (3) The secretary of state shall accept as proof of vehicle  
26 insurance a transmission of the insured vehicle's vehicle  
27 identification number. Policy information submitted by an insurer

1 and received by the secretary of state under this section is  
2 confidential, is not subject to the freedom of information act,  
3 1976 PA 442, MCL 15.231 to 15.246, and shall not be disclosed to  
4 any person except the department of ~~community~~ health **AND HUMAN**  
5 **SERVICES** for purposes of 2006 PA 593, MCL 550.281 to 550.289, or  
6 pursuant to an order by a court of competent jurisdiction in  
7 connection with a claim or fraud investigation or prosecution. The  
8 transmission to the secretary of state of a vehicle identification  
9 number is proof of insurance to the secretary of state for motor  
10 vehicle registration purposes only and is not evidence that a  
11 policy of insurance actually exists between an insurer and an  
12 individual.

13 (4) A person who **FAILS TO SUPPLY INFORMATION TO THE SECRETARY**  
14 **OF STATE OR WHO** supplies false information to the secretary of  
15 state under this section or who issues or uses an altered,  
16 fraudulent, or counterfeit certificate of insurance is guilty of a  
17 misdemeanor punishable by imprisonment for not more than 1 year or  
18 a fine of not more than \$1,000.00, or both.

19 (5) The department of ~~community~~ health **AND HUMAN SERVICES**  
20 shall report to the senate and house of representatives  
21 appropriations committees and standing committees concerning  
22 insurance issues on the number of claims and total dollar amount  
23 recovered from automobile insurers ~~pursuant to~~ **UNDER** 2006 PA 593,  
24 MCL 550.281 to 550.289. The reports required by this subsection  
25 ~~shall~~ **MUST** be given to the appropriations committees and standing  
26 committees concerning insurance issues by December 30 of each year  
27 through December 30, 2018 and ~~shall~~ **MUST** cover the preceding 12-

1 month period.

2           (6) THE REQUIREMENT UNDER SUBSECTION (1) THAT AN INSURER  
3 SUPPLY INFORMATION TO THE SECRETARY OF STATE DOES NOT APPLY AFTER  
4 THE DIRECTOR CERTIFIES, BY A CERTIFICATION POSTED ON THE DEPARTMENT  
5 WEBSITE, THAT THE ELECTRONIC INSURANCE VERIFICATION SYSTEM  
6 ESTABLISHED UNDER THE REAL-TIME ELECTRONIC INSURANCE VERIFICATION  
7 ACT IS OPERATIONAL.

8           (7) AS USED IN THIS SECTION:

9           (A) "AUTOMOBILE INSURANCE" MEANS THAT TERM AS DEFINED IN  
10 SECTION 3303.

11           (B) "PRIVATE PASSENGER NONFLEET AUTOMOBILE" MEANS THAT TERM AS  
12 DEFINED IN SECTION 3303.

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

15           Enacting section 2. This amendatory act does not take effect  
16 unless Senate Bill No.819

17                   of the 99th Legislature is enacted into law.