

DRAFT

SUBSTITUTE FOR HOUSE/SENATE BILL No. _____

A bill to amend 1956 PA 218, entitled,
"The insurance code of 1956,"
by amending the title, the heading of chapter 61, and sections
3101a, 3107, 3111, 3114, 3115, 3163, 3172, 3173, 3173a, 3174, 3175,
3177, 3301, 3330, 4501, 6101, 6105, 6110, and 6111 (MCL 500.3101a,
500.3017, 500.3017a, 500.3111, 500.3114, 500.3115, 500.3163,
500.3172, 500.3173, 500.3173a, 500.3174, 500.3175, 500.3177,
500.3301, 500.3330, 500.4501, 500.6101, 500.6105, 500.6110, and
500.6111), 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 3111 as added by 1972 PA 394, section 3114 as amended by
2002 PA 38, section 3163 as amended by 2002 PA 697, sections 3172,
3173a, 3174, 3175, and 3330 as amended by 2012 PA 204, section 3177
as amended by 1984 PA 426, 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; and to repeal acts and parts of acts.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 TITLE

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

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

1 repeal acts and parts of acts; and to provide penalties for the
2 violation of this act.

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

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

1 USED IN THIS SUBSECTION, "PRIVATE PASSENGER NONFLEET AUTOMOBILE"
 2 MEANS THAT TERM AS DEFINED IN SECTION 3303.

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

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

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

1 policy of insurance actually exists between an insurer and an
2 individual.

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

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

18 Sec. 3107. (1) Except as ~~provided in subsection (2)~~ **OTHERWISE**
19 **PROVIDED IN THIS SECTION, SECTION 3107A, AND SECTION 3107B,**
20 personal protection insurance benefits are payable for the
21 following:

22 (a) Allowable expenses consisting of all reasonable charges
23 incurred for reasonably necessary products, services and
24 accommodations for an injured person's care, recovery, or
25 rehabilitation. Allowable expenses within personal protection
26 insurance coverage shall not include either of the following:

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

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

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

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

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

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

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

21 **(C) FOR INJURIES RESULTING FROM AN AUTOMOBILE ACCIDENT**
 22 **OCCURRING ON OR AFTER JULY 1, 2017, AN INSURER IS NOT REQUIRED TO**
 23 **PROVIDE COVERAGE FOR MORE THAN 56 HOURS PER WEEK OF ATTENDANT CARE**
 24 **IN THE HOME IF THE ATTENDANT CARE IS PROVIDED DIRECTLY OR**
 25 **INDIRECTLY THROUGH ANOTHER PERSON OR ENTITY BY ONE OR MORE OF THE**
 26 **FOLLOWING:**

27 **(i) A FAMILY MEMBER OF THE INJURED PERSON.**

28 **(ii) A MEMBER OF THE HOUSEHOLD OF THE INJURED PERSON.**

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

3 ~~BY A FAMILY OR HOUSEHOLD MEMBER OR BY A PERSON NOT LICENSED TO~~
 4 ~~THE ATTENDANT CARE TO RENDER THE ATTENDANT CARE UNDER ARTICLE 15 OF~~
 5 ~~THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838.~~
 6 ~~THE LIMITATION UNDER THIS SUBDIVISION APPLIES REGARDLESS OF WHETHER~~
 7 ~~THE PROVIDER OF ATTENDANT CARE IN THE HOME IS LICENSED OR OTHERWISE~~
 8 ~~AUTHORIZED TO RENDER THE ATTENDANT CARE UNDER ARTICLE 15 OF THE~~
 9 ~~PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838, OR IS~~
 10 ~~EMPLOYED BY, UNDER CONTRACT WITH, OR IN ANY WAY CONNECTED WITH AN~~
 11 ~~INDIVIDUAL OR AGENCY WHO IS LICENSED OR AUTHORIZED TO RENDER THE~~
 12 ~~CARE. THIS SUBDIVISION~~ (3) SUBDIVISION (2)(C) DOES NOT PROHIBIT AN
 13 INSURER FROM CONTRACTING TO PROVIDE COVERAGE FOR MORE THAN 56 HOURS
 14 PER WEEK OF ATTENDANT CARE IN THE HOME.

15 Sec. 3111. (1) ~~Personal~~ EXCEPT AS PROVIDED IN SUBSECTION (2),
 16 PERSONAL protection insurance benefits are payable for accidental
 17 bodily injury suffered in an accident occurring out of this state,
 18 if the accident occurs within the United States, its territories
 19 and possessions or ~~in~~ Canada, and the person whose injury is the
 20 basis of the claim was at the time of the accident a named insured
 21 under a personal protection insurance policy, ~~his~~ **THE spouse OF A**
 22 **NAMED INSURED**, a relative of either domiciled in the same household
 23 or an occupant of a vehicle involved in the accident whose owner or
 24 registrant was insured under a personal protection insurance policy
 25 or ~~has~~ WHO provided security approved by the secretary of state
 26 under ~~subsection (4) of section 3101~~ **3104(4)**.

27 (2) IF AN INSURER IS REQUIRED TO PROVIDE PERSONAL PROTECTION
 28 BENEFITS UNDER THIS CHAPTER TO AN OUT-OF-STATE RESIDENT FOR

1 ACCIDENTAL BODILY INJURY SUFFERED IN AN ACCIDENT THAT OCCURS
 2 OUTSIDE OF THIS STATE AND THE OUT-OF-STATE RESIDENT WAS NOT AT THE
 3 TIME OF THE ACCIDENT A NAMED INSURED UNDER A PERSONAL PROTECTION
 4 INSURANCE POLICY UNDER THIS CHAPTER, THE SPOUSE OF A NAMED INSURED,
 5 OR A RELATIVE OF EITHER DOMICILED IN THE SAME HOUSEHOLD, THE
 6 INSURER IS ONLY LIABLE FOR THE AMOUNT OF ULTIMATE LOSS SUSTAINED UP
 7 TO \$400,000.00.

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

24 (2) A person suffering accidental bodily injury while an
 25 operator or a passenger of a motor vehicle operated in the business
 26 of transporting passengers shall receive the personal protection
 27 insurance benefits to which the person is entitled from the insurer
 28 of the motor vehicle. This subsection does not apply to a passenger

1 in the following, unless that passenger is not entitled to personal
2 protection insurance benefits under any other policy:

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

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

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

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

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

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

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

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

1 ~~(a) The insurer of the owner or registrant of the vehicle~~
2 ~~occupied.~~

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

5 (5) A person ~~suffering~~**WHO SUFFERS** accidental bodily injury
6 arising from a motor vehicle accident ~~which~~**THAT** shows evidence of
7 the involvement of a motor vehicle while an operator or passenger
8 of a motorcycle shall claim personal protection insurance benefits
9 from insurers in the following order of priority:

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

12 (b) The insurer of the operator of the motor vehicle involved
13 in the accident.

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

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

18 (6) If 2 or more insurers are in the same order of priority to
19 provide personal protection insurance benefits under subsection
20 (5), an insurer ~~paying~~**THAT PAYS** benefits due is entitled to
21 partial recoupment from the other insurers in the same order of
22 priority, ~~together with~~**AND** a reasonable amount of partial
23 recoupment of the expense of processing the claim, in order to
24 accomplish equitable distribution of the loss among all of the
25 insurers.

26 Sec. 3115. (1) Except as provided in ~~subsection (1) of section~~
27 ~~3114~~**3114(1)**, a person ~~suffering~~**WHO SUFFERS** accidental bodily
28 injury while not an occupant of a motor vehicle shall claim

1 personal protection insurance benefits ~~from insurers in the~~
2 ~~following order of priority:~~

3 ~~(a) Insurers of owners or registrants of motor vehicles~~
4 ~~involved in the accident.~~

5 ~~(b) Insurers of operators of motor vehicles involved in the~~
6 ~~accident. UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO~~
7 ~~3175.~~

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

15 (3) A limit ~~upon~~ **ON** the amount of personal protection
16 insurance benefits available because of accidental bodily injury to
17 1 person arising from 1 motor vehicle accident shall be determined
18 without regard to the number of policies applicable to the
19 accident.

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

1 (2) ~~A nonadmitted~~ **AN** insurer **NOT AUTHORIZED TO TRANSACT**
 2 **AUTOMOBILE LIABILITY INSURANCE AND PERSONAL PROPERTY INSURANCE IN**
 3 **THIS STATE** may voluntarily file the certification described in
 4 subsection (1).

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

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

1 **PERSONAL PROTECTION INSURANCE BENEFITS AN UNINSURED RESIDENT OF**
 2 **THIS STATE WOULD BE ABLE TO RECEIVE UNDER THE ASSIGNED CLAIMS PLAN**
 3 **UNDER SECTIONS 3171 TO 3175.** Benefits under this subsection are not
 4 recoverable to the extent that benefits covering the same loss are
 5 available from other sources, regardless of the nature or number of
 6 benefit sources available and regardless of the nature or form of
 7 the benefits.

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

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

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

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

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

25 **(2) A PERSON MAKING A CLAIM UNDER SUBSECTION (1) HAS THE**
 26 **BURDEN OF PROVING THAT HE OR SHE IS ENTITLED TO OBTAIN PERSONAL**
 27 **PROTECTION INSURANCE BENEFITS THROUGH THE ASSIGNED CLAIMS PLAN.**
 28 **THERE IS A REBUTTABLE PRESUMPTION THAT THE PERSON IS ENTITLED TO**

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

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

13 (4) THE **MICHIGAN**-ASSIGNED CLAIMS PLAN ~~OF OPERATION~~ GOVERNS THE
 14 REQUIREMENTS FOR AN APPLICATION FOR PAYMENT OF PERSONAL PROTECTION
 15 INSURANCE BENEFITS THROUGH THE ASSIGNED CLAIMS PLAN.

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

1 automobile insurance placement facility ~~by the insurer to whom the~~
 2 ~~claim is assigned~~ in circuit court to declare the rights and duties
 3 of any interested party.

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

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

12 (f) After hearing the action, the circuit court shall
 13 determine the insurer or insurers, if any, obligated to provide the
 14 applicable personal protection insurance benefits and the equitable
 15 distribution, if any, among the insurers obligated, and shall order
 16 reimbursement to the Michigan automobile insurance placement
 17 facility from the insurer or insurers to the extent of the
 18 responsibility as determined by the court. The reimbursement
 19 ordered under this subdivision ~~shall~~ **MUST** include all benefits and
 20 costs paid or incurred by the Michigan automobile insurance
 21 placement facility and all benefits and costs paid or incurred by
 22 insurers determined not to be obligated to provide applicable
 23 personal protection insurance benefits, including reasonable,
 24 actually incurred attorney fees and interest at the rate prescribed
 25 in section 3175 ~~as of~~ **APPLICABLE ON** December 31 of the year
 26 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 ~~MICHIGAN~~-ASSIGNED CLAIMS PLAN ADOPTED AND MAINTAINED BY THE
6 MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY, ~~INCLUDING THE~~
7 ~~MICHIGAN ASSIGNED CLAIMS PLAN OF OPERATION~~ AND APPROVED BY THE
8 DIRECTOR OF THE DEPARTMENT INSURANCE AND FINANCIAL SERVICES UNDER
9 SECTION 3171.

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

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

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

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

25 Sec. 3173a. (1) The Michigan automobile insurance placement
26 facility shall ~~make an initial determination of a claimant's~~
27 ~~eligibility~~ **REVIEW A CLAIM** for benefits under the assigned claims
28 plan and shall deny an ~~obviously ineligible~~ **A claim THAT IS**

1 DETERMINED TO BE INELIGIBLE IN ACCORDANCE WITH THIS CHAPTER OR THE
 2 ~~MICHIGAN ASSIGNED CLAIMS PLAN OF OPERATION~~. The MICHIGAN AUTOMOBILE
 3 INSURANCE PLACEMENT FACILITY SHALL NOTIFY THE claimant ~~shall be~~
 4 ~~notified~~ promptly in writing of the denial and the reasons for the
 5 denial. ~~IF A CLAIM IS NOT DETERMINED TO BE INELIGIBLE AFTER THE~~
 6 ~~REVIEW, THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY SHALL~~
 7 ~~ASSIGN THE CLAIM TO A SERVICING INSURER. IF THE CLAIM IS ASSIGNED~~
 8 ~~TO A SERVICING INSURER, THE SERVICING INSURER SHALL MAKE THE FINAL~~
 9 ~~DETERMINATION REGARDING THE ELIGIBILITY OF THE CLAIM.~~ A PERSON WHO
 10 FAILS TO COOPERATE WITH THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT
 11 FACILITY ~~OR A SERVICING INSURER~~ IN ACCORDANCE WITH THE MICHIGAN
 12 ASSIGNED CLAIMS PLAN ~~OF OPERATION~~ IS INELIGIBLE FOR PERSONAL
 13 PROTECTION INSURANCE BENEFITS THROUGH THE ASSIGNED CLAIMS PLAN
 14 UNLESS A ~~FINAL~~ DETERMINATION IS MADE BY THE MICHIGAN AUTOMOBILE
 15 INSURANCE PLACEMENT FACILITY ~~OR THE SERVICING INSURER UNDER THE~~
 16 ~~MICHIGAN ASSIGNED CLAIMS PLAN OF OPERATION~~ THAT THE PERSON IS
 17 ELIGIBLE FOR PERSONAL PROTECTION INSURANCE BENEFITS THROUGH THE
 18 ASSIGNED CLAIMS PLAN.

19 (2) IF A CLAIM IS NOT DETERMINED TO BE INELIGIBLE AFTER THE
 20 REVIEW, THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY SHALL
 21 ASSIGN THE CLAIM TO A SERVICING INSURER. IF THE CLAIM IS ASSIGNED
 22 TO A SERVICING INSURER, THE SERVICING INSURER SHALL MAKE THE FINAL
 23 DETERMINATION REGARDING A CLAIM FOR PERSONAL PROTECTION INSURANCE
 24 BENEFITS. A PERSON WHO FAILS TO COOPERATE WITH THE SERVICING
 25 INSURER IN ITS DETERMINATION REGARDING THE CLAIM FOR PERSONAL
 26 PROTECTION INSURANCE BENEFITS IS INELIGIBLE FOR THE PERSONAL
 27 PROTECTION INSURANCE BENEFITS UNLESS THE SERVICING INSURER

1 DETERMINES THAT THE CLAIM IS ELIGIBLE FOR PERSONAL PROTECTION
 2 BENEFITS.

3 (3) ~~(2)~~—A person who presents or causes to be presented an
 4 oral or written statement, including computer-generated
 5 information, as part of or in support of a claim to the Michigan
 6 automobile insurance placement facility **OR TO AN INSURER ASSIGNED A**
 7 **CLAIM BY THE MICHIGAN AUTOMOBILE PLACEMENT FACILITY** for payment or
 8 another benefit ~~knowing that~~ **IF** the statement contains false
 9 information concerning a fact or thing material to the claim
 10 commits a fraudulent insurance act under section 4503 that is
 11 subject to the penalties imposed under section 4511. A claim that
 12 contains or is supported by a fraudulent insurance act as described
 13 in this subsection is ineligible for payment ~~or~~ **OF** benefits under
 14 the assigned claims plan.

15 ~~(3)~~ (4) **THE MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY MAY**
 16 **CONTRACT WITH OTHER PERSONS FOR ALL OR A PORTION OF THE GOODS AND**
 17 **SERVICES NECESSARY FOR OPERATING AND MAINTAINING THE ASSIGNED**
 18 **CLAIMS PLAN.**

19 Sec. 3174. A person claiming through the assigned claims plan
 20 shall notify the Michigan automobile insurance placement facility
 21 of his or her claim ~~within the time that would have been allowed~~
 22 ~~for filing an action for personal protection insurance benefits if~~
 23 ~~identifiable coverage applicable to the claim had been in effect.~~

24 **IN ACCORDANCE WITH SECTION 3145. ON AN INITIAL DETERMINATION OF**
 25 **A CLAIMANT'S ELIGIBILITY FOR BENEFITS THROUGH THE ASSIGNED CLAIMS**
 26 **PLAN, THE** Michigan automobile insurance placement facility shall
 27 promptly assign the claim in accordance with the ASSIGNED CLAIMS
 28 plan ~~OF OPERATION~~ and notify the claimant of the identity and

1 address of the insurer to which the claim is assigned. An action by
 2 ~~the A claimant shall not be commenced more than 30 days after~~
 3 ~~receipt of notice of the assignment or the last date on which the~~
 4 ~~action could have been commenced against an insurer of identifiable~~
 5 ~~coverage applicable to the claim, whichever is later.~~ **MUST BE**
 6 **COMMENCED AS PROVIDED IN SECTION 3145.**

7 Sec. 3175. (1) The assignment of claims under the assigned
 8 claims plan shall be made according to procedures established in
 9 the assigned claims plan that assure fair allocation of the burden
 10 of assigned claims among insurers doing business in this state on a
 11 basis reasonably related to the volume of automobile liability and
 12 personal protection insurance they write on motor vehicles or the
 13 number of self-insured motor vehicles. An insurer to whom claims
 14 have been assigned shall make prompt payment of loss in accordance
 15 with this act. An insurer is entitled to reimbursement by the
 16 Michigan automobile insurance placement facility for the payments,
 17 the established loss adjustment cost, and an amount determined by
 18 use of the average annual 90-day United States treasury bill yield
 19 rate, as reported by the council of economic advisers as of
 20 December 31 of the year for which reimbursement is sought, as
 21 follows:

22 (a) For the calendar year in which claims are paid by the
 23 insurer, the amount shall be determined by applying the specified
 24 annual yield rate specified in this subsection to 1/2 of the total
 25 claims payments and loss adjustment costs.

26 (b) For the period from the end of the calendar year in which
 27 claims are paid by the insurer to the date payments for the
 28 operation of the assigned claims plan are due, the amount shall be

1 determined by applying the annual yield rate specified in this
 2 subsection to the total claims payments and loss adjustment costs
 3 multiplied by a fraction, the denominator of which is 365 and the
 4 numerator of which is equal to the number of days that have elapsed
 5 between the end of the calendar year and the date payments for the
 6 operation of the assigned claims plan are due.

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

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

4 **(A) TWO** years after the assignment of the claim to the
5 insurer. ~~or 1~~

6 **(B) ONE** year after the date of the last payment to the
7 claimant.

8 **(C) ONE YEAR AFTER THE DATE THE RESPONSIBLE THIRD PARTY IS**
9 **IDENTIFIED.**

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

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

23 Sec. 3177. (1) ~~An~~ **THE** insurer obligated to pay personal
24 protection insurance benefits for accidental bodily injury to a
25 person arising out of the ownership, maintenance, or use of an
26 uninsured motor vehicle as a motor vehicle may recover ~~such~~ **ALL**
27 benefits paid ~~and appropriate~~ **INCURRED** loss adjustment costs, **AND**
28 **EXPENSES, AND** incurred **ATTORNEY FEES** from the owner or registrant

1 of the uninsured motor vehicle or from his or her estate. Failure
 2 of ~~such a person~~ **THE OWNER OR REGISTRANT** to make payment within 30
 3 days after **A judgment IS ENTERED IN AN ACTION FOR RECOVERY UNDER**
 4 **THIS SUBSECTION** is a ground for suspension or revocation of his or
 5 her motor vehicle registration and license as defined in section 25
 6 of the Michigan vehicle code, ~~Act No. 300 of the Public Acts of~~
 7 ~~1949, being section 257.25 of the Michigan Compiled Laws. An 1949~~
 8 **PA 300, MCL 257.25. FOR PURPOSES OF THIS SECTION, AN** uninsured
 9 motor vehicle ~~for the purpose of this section~~ is a motor vehicle
 10 with respect to which security as required by sections 3101 and
 11 3102 is not in effect at the time of the accident.

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

24 (3) The secretary of state upon receipt of a certified
 25 abstract of court record of a judgment **DESCRIBED IN SUBSECTION (1)**
 26 or notice from ~~the~~ **AN insurer OR THE MICHIGAN AUTOMOBILE INSURANCE**
 27 **PLACEMENT FACILITY OR ITS DESIGNEE** of an acknowledgment of **A debt**
 28 **DESCRIBED IN SUBSECTION (1)** shall notify the owner or registrant ~~of~~

1 ~~an uninsured vehicle~~ of the provisions of subsection (1) at ~~that~~
 2 ~~person's~~ **THE OWNER OR REGISTRANT'S** last ~~recorded~~ address **RECORDED**
 3 with the secretary of state and inform ~~that person~~ **THE OWNER OR**
 4 **REGISTRANT** of the right to enter into a written agreement **UNDER**
 5 **THIS SECTION** with the ~~secretary of state~~ **MICHIGAN AUTOMOBILE**
 6 **INSURANCE PLACEMENT FACILITY OR ITS DESIGNEE** for the payment of the
 7 judgment or debt in installments.

8 **(4) EXPENSES FOR THE SUSPENSION, REVOCATION, OR REINSTATEMENT**
 9 **OF A MOTOR VEHICLE REGISTRATION OR LICENSE UNDER THIS SECTION ARE**
 10 **THE RESPONSIBILITY OF THE OWNER OR REGISTRANT OR OF HIS OR HER**
 11 **ESTATE. AN OWNER OR REGISTRANT WHOSE REGISTRATION OR LICENSE IS**
 12 **SUSPENDED UNDER THIS SECTION SHALL PAY ANY REINSTATEMENT FEE AS**
 13 **REQUIRED UNDER SECTION 320E OF THE MICHIGAN VEHICLE CODE, 1949 PA**
 14 **300, MCL 257.320E.**

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

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

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

23 **(C) PROVIDING FUNDING FOR THE MICHIGAN AUTOMOBILE INSURANCE**
 24 **FRAUD AND THEFT PREVENTION AUTHORITY.**

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

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

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

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

9 (c) To assess participating members on the basis of
10 participation ratios pursuant to section 3303 to cover anticipated
11 costs of operation and administration of the facility, to provide
12 for equitable servicing fees, and to share losses, profits, and
13 expenses pursuant to the plan of operation.

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

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

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

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

1 implement this chapter, including matters necessary to comply with
2 the requirements of chapter 21.

3 (h) To assess self-insurers and insurers consistent with
4 chapter 31 and the assigned claims plan approved under section
5 3171.

6 (I) UNTIL DECEMBER 31, 2022, TO ANNUALLY ASSESS PARTICIPATING
7 MEMBERS AND SELF-INSURERS AN AGGREGATE AMOUNT NOT TO EXCEED
8 \$21,000,000.00 TO COVER ANTICIPATED COSTS OF OPERATION AND
9 ADMINISTRATION OF THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT
10 PREVENTION AUTHORITY.

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

20 (3) ON OR BEFORE JANUARY 1, 2018, THE BOARD OF GOVERNORS SHALL
21 AMEND THE PLAN OF OPERATION TO ESTABLISH APPROPRIATE PROCEDURES
22 NECESSARY TO MAKE ASSESSMENTS FOR AND TO CARRY OUT THE
23 ADMINISTRATIVE DUTIES AND FUNCTIONS OF THE MICHIGAN AUTOMOBILE
24 INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY AS PROVIDED IN
25 CHAPTER 61.

26 Sec. 4501. As used in this chapter:

27 (a) "Authorized agency" means the department of state police;
28 a city, village, or township police department; a county sheriff's

1 department; a United States criminal investigative department or
 2 agency; the prosecuting authority of a city, village, township,
 3 county, or state or of the United States; ~~the office of financial~~
 4 ~~and insurance regulation;~~ **THE DEPARTMENT OF INSURANCE AND FINANCIAL**
 5 **SERVICES; THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT**
 6 **PREVENTION AUTHORITY;** or the department of state.

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

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

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

19 **(E) "MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION**
 20 **AUTHORITY" MEANS THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT**
 21 **PREVENTION AUTHORITY CREATED UNDER SECTION 6104.**

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

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

1 (a) "Authority" ~~means the automobile theft prevention~~
 2 ~~authority~~ MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION
 3 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.

9 ~~(c) "Economic automobile theft" means automobile theft~~
 10 ~~perpetrated for financial gain.~~

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

16 (e) "FACILITY" MEANS THE MICHIGAN AUTOMOBILE INSURANCE
 17 PLACEMENT FACILITY CREATED UNDER CHAPTER 33.

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

23 (2) THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT
 24 PREVENTION AUTHORITY IS NOT A STATE AGENCY, AND THE MONEY OF THE
 25 AUTHORITY IS NOT STATE MONEY. A RECORD OF THE AUTHORITY IS EXEMPT
 26 FROM DISCLOSURE UNDER SECTION 13 OF THE FREEDOM OF INFORMATION ACT,
 27 1976 PA 442, MCL 15.243.

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

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

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

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

14 (5) THE PURPOSES, POWERS, AND DUTIES OF THE MICHIGAN
15 AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY SHALL BE
16 VESTED IN AND EXERCISED BY A BOARD OF DIRECTORS. THE BOARD OF
17 DIRECTORS SHALL CONSIST OF 15 MEMBERS AS FOLLOWS:

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

20 (i) AT LEAST 2 MEMBERS WHO REPRESENT INSURER GROUPS WITH
21 350,000 OR MORE CAR YEARS.

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

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

26 (B) THE DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL
27 SERVICES OR HIS OR HER DESIGNEE.

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

1 (D) TWO MEMBERS WHO REPRESENT LAW ENFORCEMENT AGENCIES IN THIS
2 STATE.

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

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

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

12 (7) THE LAW ENFORCEMENT MEMBERS ON THE BOARD UNDER SUBSECTION
13 (5) SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT
14 OF THE SENATE. IN APPOINTING THE LAW ENFORCEMENT MEMBERS, THE
15 GOVERNOR SHALL COMPLY WITH ALL OF THE FOLLOWING:

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

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

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

24 (8) THE PROSECUTING ATTORNEY MEMBER ON THE BOARD UNDER
25 SUBSECTION (5) SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE
26 AND CONSENT OF THE SENATE. IN APPOINTING THE PROSECUTING ATTORNEY
27 MEMBER, THE GOVERNOR SHALL SOLICIT INPUT FROM VARIOUS PROSECUTING
28 ATTORNEY ASSOCIATIONS IN THIS STATE.

1 (9) THE PUBLIC MEMBER ON THE BOARD UNDER SUBSECTION (5) SHALL
 2 BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF THE
 3 SENATE. THE PUBLIC MEMBER SHALL BE A RESIDENT OF THIS STATE AN
 4 SHALL NOT BE EMPLOYED BY OR UNDER CONTRACT WITH ANY STATE OR LOCAL
 5 UNIT OF GOVERNMENT OR ANY INSURER.

6 (10) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, MEMBERS
 7 OF THE BOARD SHALL SERVE FOR A TERM OF 4 YEARS AND UNTIL THEIR
 8 SUCCESSORS ARE APPOINTED AND QUALIFIED. FOR THE MEMBERS FIRS
 9 ELECTED OR APPOINTED UNDER THIS SECTION, 3 INSURER MEMBERS AND 1
 10 LAW ENFORCEMENT MEMBER SHALL SERVE FOR A TERM OF 2 YEARS; 3 INSURER
 11 MEMBERS, THE PROSECUTING ATTORNEY MEMBER, AND THE GENERAL PUBLIC
 12 MEMBER SHALL SERVE FOR A TERM OF 3 YEARS; AND 3 INSURER MEMBERS AND
 13 1 LAW ENFORCEMENT MEMBER SHALL SERVE FOR A TERM OF 4 YEARS.

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

15 SEC. 6104A. (1) MEMBERS OF THE BOARD SHALL SERVE WITHOUT
 16 COMPENSATION FOR THEIR MEMBERSHIP ON THE BOARD, EXCEPT THAT MEMBERS
 17 OF THE BOARD SHALL RECEIVE REASONABLE REIMBURSEMENT FOR NECESSARY
 18 TRAVEL AND EXPENSES.

19 (2) A MAJORITY OF THE MEMBERS OF THE BOARD SHALL CONSTITUTE A
 20 QUORUM FOR THE TRANSACTION OF BUSINESS AT A MEETING, OR THE
 21 EXERCISE OF A POWER OR FUNCTION OF THE AUTHORITY, NOTWITHSTANDING
 22 THE EXISTENCE OF 1 OR MORE VACANCIES. NOTWITHSTANDING ANY OTHER
 23 PROVISION OF LAW, ACTION MAY BE TAKEN BY THE AUTHORITY AT A MEETING
 24 UPON A VOTE OF THE MAJORITY OF ITS MEMBERS PRESENT IN PERSON OR
 25 THROUGH THE USE OF AMPLIFIED TELEPHONIC EQUIPMENT, IF AUTHORIZED BY
 26 THE BYLAWS OR PLAN OF OPERATION OF THE BOARD. THE AUTHORITY SHALL
 27 MEET AT THE CALL OF THE CHAIR OR AS MAY BE PROVIDED IN THE BYLAWS

1 OF THE AUTHORITY. MEETINGS OF THE AUTHORITY MAY BE HELD ANYWHERE
2 WITHIN THE STATE OF MICHIGAN.

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

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

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

19 (B) TO CONSULT WITH ITS ATTORNEY.

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

22 (5) THE BOARD SHALL DISPLAY INFORMATION CONCERNING THE
23 AUTHORITY'S OPERATIONS AND ACTIVITIES, INCLUDING, BUT NOT LIMITED
24 TO, THE ANNUAL FINANCIAL REPORT REQUIRED UNDER SECTION 6110, ON A
25 PUBLICLY ACCESSIBLE INTERNET WEBSITE.

26 (6) THE BOARD SHALL KEEP MINUTES OF EACH BOARD MEETING. THE
27 BOARD SHALL MAKE THE MINUTES OPEN TO PUBLIC INSPECTION AND
28 AVAILABLE AT THE ADDRESS DESIGNATED ON THE PUBLIC NOTICE OF ITS

1 MEETINGS. THE BOARD SHALL MAKE COPIES OF THE MINUTES AVAILABLE T
2 THE PUBLIC AT THE REASONABLE ESTIMATED COST FOR PRINTING AND
3 COPYING. THE BOARD SHALL INCLUDE ALL OF THE FOLLOWING IN THE
4 MINUTES:

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

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

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

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

11 SEC. 6104B. (1) ON OR BEFORE JANUARY 1, 2018, THE DEPARTMENT
12 OF ~~20~~-STATE POLICE SHALL TRANSFER ALL ASSETS OF THE AUTOMOBILE
13 THEFT ~~21~~-PREVENTION AUTHORITY TO THE FACILITY FOR THE BENEFIT OF
14 THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION
15 AUTHORITY.

16 (2) ON OR BEFORE DECEMBER 31, 2022, THE AUTHORITY SHALL
17 TRANSFER ALL ASSETS OF THE AUTHORITY TO THE DEPARTMENT OF STATE
18 POLICE FOR THE BENEFIT OF THE AUTOMOBILE THEFT PREVENTION
19 AUTHORITY.

20 (3) AFTER DECEMBER 31, 2022, THE AUTOMOBILE THEFT PREVENTION
21 AUTHORITY BOARD OF DIRECTORS SHALL REINSTATE AND OPERATE THE
22 AUTOMOBILE THEFT PREVENTION AUTHORITY IN THE SAME MANNER THAT IT
23 WAS OPERATED BEFORE JANUARY 1, 2018.

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

27 Sec. 6105. The ~~authority~~ BOARD shall have the powers necessary
28 ~~or convenient to carry out and effectuate the purposes and~~

1 ~~provisions of this chapter and the purposes of the authority and~~
 2 ~~the powers delegated by other laws~~ **ITS DUTIES UNDER THIS ACT,**
 3 including, but not limited to, the power to **DO THE FOLLOWING:**

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

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

13 (c) Make grants and investments.

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

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

19 (f) Contract for goods and services and engage personnel as is
 20 necessary. ~~, including the services of private consultants,~~
 21 ~~managers, counsel, auditors, and others for rendering professional,~~
 22 ~~management, and technical assistance and advice, payable out of any~~
 23 ~~money of the fund legally available for this purpose.~~

24 (g) Indemnify and procure insurance indemnifying any member of
 25 the board from personal loss or accountability from liability
 26 resulting from a member's action or inaction as a member of the
 27 board.

1 ~~(h) Do all other things necessary or convenient to achieve the~~
 2 ~~objectives and purposes of the authority, this chapter, or other~~
 3 ~~laws~~ PERFORM OTHER ACTS NOT SPECIFICALLY ENUMERATED IN THIS SECTION
 4 THAT ARE NECESSARY OR PROPER TO ACCOMPLISH THE PURPOSES OF THE
 5 AUTHORITY TO AND THAT ARE NOT INCONSISTENT WITH THIS SECTION OR THE
 6 PLAN OF OPERATION.

7 SEC. 6107A. (1) SECTION 6107 DOES NOT APPLY FROM JANUARY 1,
 8 2018 TO DECEMBER 31, 2022.

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

19 (3) MONEY RECEIVED PURSUANT TO SUBSECTION (1), AND ALL OTHER
 20 MONEY RECEIVED BY THE AUTHORITY, SHALL BE SEGREGATED FROM OTHER
 21 MONEY OF THE FACILITY, IF APPLICABLE, AND SHALL ONLY BE EXPENDED AS
 22 DIRECTED BY THE BOARD.

23 (4) FROM THE MONEY RECEIVED ANNUALLY UNDER SUBSECTION (1), THE
 24 BOARD SHALL NOT REDUCE THE AMOUNT OF MONEY AVAILABLE TO PROVIDE
 25 FINANCIAL SUPPORT FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF
 26 AUTOMOBILE THEFT BELOW \$6,250,000.00.

27 SEC. 6108. (1) EACH INSURER AUTHORIZED TO TRANSACT AUTOMOBILE
 28 INSURANCE IN THIS STATE, AS A CONDITION OF ITS AUTHORITY TO

1 TRANSACT INSURANCE IN THIS STATE, SHALL REPORT AUTOMOBILE INSURANCE
 2 FRAUD DATA TO THE AUTHORITY USING THE FORMAT AND PROCEDURES SET
 3 FORTH BY THE BOARD.

4 (2) THE DEPARTMENT OF STATE POLICE SHALL COOPERATE WITH THE
 5 AUTHORITY AND SHALL PROVIDE AVAILABLE MOTOR VEHICLE FRAUD AND THEFT
 6 STATISTICS TO THE AUTHORITY UPON REQUEST.

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

9 ~~(2) The plan of operation shall include an assessment of the~~
 10 ~~scope of the problem of automobile theft, including particular~~
 11 ~~areas of the state where the problem is greatest; an analysis of~~
 12 ~~various methods of combating the problem of automobile theft and~~
 13 ~~economic automobile theft; a plan for providing financial support~~
 14 ~~to combat automobile theft and economic automobile theft; and an~~
 15 ~~estimate of the funds required to implement the plan.~~

16 ~~(3) The authority shall report annually on or before February~~
 17 ~~1 to the governor and the legislature on its activities in the~~
 18 ~~preceding year.~~ **BEGINNING JANUARY 1 OF THE YEAR AFTER THE EFFECTIVE**
 19 **DATE OF THE AMENDATORY ACT THAT ADDED SECTION 6104, THE AUTHORITY**
 20 **SHALL PREPARE AND PUBLISH AN ANNUAL FINANCIAL REPORT AND AN ANNUAL**
 21 **REPORT TO THE LEGISLATURE ON ITS EFFORTS TO PREVENT AUTOMOBILE**
 22 **INSURANCE FRAUD AND COST SAVINGS THAT HAVE RESULTED FROM ITS**
 23 **EFFORTS.**

24 Sec. 6111. By July 1 of every ~~odd~~ **EVEN** numbered year, the
 25 ~~automobile theft prevention authority~~ shall prepare a report that
 26 details the theft of automobiles **AND AUTOMOBILE INSURANCE FRAUD**
 27 occurring in this state for the previous 2 years, assesses the
 28 impact of the thefts **AND FRAUD** on rates charged for automobile

1 insurance, summarizes prevention programs, and outlines allocations
 2 made by the authority. The ~~director of the department of state~~
 3 ~~police~~, **MEMBERS OF THE BOARD**, insurers, and the ~~commissioner~~
 4 **DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**
 5 shall cooperate in the development of the report as requested by
 6 the ~~automobile theft prevention authority~~ and shall make available
 7 records and statistics concerning automobile thefts, including the
 8 number of automobile thefts, number of prosecutions and convictions
 9 involving automobile thefts, and automobile theft recidivism **AND**
 10 **AUTOMOBILE INSURANCE FRAUD, INCLUDING THE NUMBER OF INSTANCES OF**
 11 **SUSPECTED AND CONFIRMED INSURANCE FRAUD, NUMBER OF PROSECUTIONS AND**
 12 **CONVICTIONS INVOLVING AUTOMOBILE INSURANCE FRAUD, AND AUTOMOBILE**
 13 **INSURANCE FRAUD RECIDIVISM.** The ~~automobile theft prevention~~
 14 authority shall evaluate the impact automobile theft **AND AUTOMOBILE**
 15 **INSURANCE FRAUD** has on the citizens of this state and the costs
 16 incurred by the citizens through insurance, police enforcement,
 17 prosecution, and incarceration due to automobile thefts **AND**
 18 **AUTOMOBILE INSURANCE FRAUD.** The report required by this section
 19 shall be submitted to the senate and house of representatives
 20 standing committees on insurance issues and the ~~commissioner~~
 21 **DIRECTOR OF THE DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES.**

22 Enacting section 1. Sections 3101a, 3107, 3111, 3114, 3115,
 23 3163, 3172, 3173, 3173a, 3174, 3175, and 3177 of the insurance code
 24 of 1956, 1956 PA 218, MCL 500.3107 500.3017a, 500.3111, 500.3114,
 25 500.3115, 500.3163, 500.3172, 500.3173, 500.3173a, 5000.3174,
 26 500.3175, and 3177, as amended by this amendatory act take effect
 27 July 1, 2017.

1 Enacting section 2. The title and sections 4501, 6101, 6105,
2 6110, and 6111 of the insurance code of 1956, 1956 PA 218, MCL
3 500.4501, 500.6101, 500.6105, 500.6110, and 500.6111, as amended by
4 this amendatory act, and sections 6104a, 6107a, and 6108 of the
5 insurance code of 1956, 1956 PA 218, as added by this amendatory
6 act, take effect January 1, 2018.

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