

# HOUSE BILL No. 5013

September 26, 2017, Introduced by Rep. Theis and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending the title and sections 2111, 3101, 3104, 3107, 3109a, 3113, 3114, 3135, 3142, 3148, 3157, 3163, 3301, 3330, 4501, and 4503 (MCL 500.2111, 500.3101, 500.3104, 500.3107, 500.3109a, 500.3113, 500.3114, 500.3135, 500.3142, 500.3148, 500.3157, 500.3163, 500.3301, 500.3330, 500.4501, and 500.4503), the title as amended by 2002 PA 304, section 2111 as amended by 2012 PA 441, sections 3101 and 3113 as amended by 2016 PA 346, section 3104 as amended by 2002 PA 662, section 3107 as amended by 2012 PA 542, section 3109a as amended by 2012 PA 454, section 3114 as amended by 2016 PA 347, section 3135 as amended by 2012 PA 158, section 3163 as amended by 2002 PA 697, section 3330 as amended by 2012 PA 204, and sections 4501 and 4503 as amended by 2012 PA 39, and by adding sections 1245, 3107c, 3157a, 3180, and 4505 and chapter 63.

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

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26

## TITLE

An act to revise, consolidate, and classify the laws relating to the insurance and surety business; to regulate the incorporation or formation of domestic insurance and surety companies and associations and the admission of foreign and alien companies and associations; to provide their rights, powers, and immunities and to prescribe the conditions on which companies and associations organized, existing, or authorized under this act may exercise their powers; to provide the rights, powers, and immunities and to prescribe the conditions on which other persons, firms, corporations, associations, risk retention groups, and purchasing groups engaged in an insurance or surety business may exercise their powers; to provide for the imposition of a privilege fee on domestic insurance companies and associations; ~~and the state accident fund;~~ to provide for the imposition of a tax on the business of foreign and alien companies and associations; to provide for the imposition of a tax on risk retention groups and purchasing groups; to provide for the imposition of a tax on the business of surplus line agents; to provide for the imposition of regulatory fees on certain insurers; to provide for assessment fees on certain health maintenance organizations; to modify tort liability arising out of certain accidents; to provide for limited actions with respect to that modified tort liability and to prescribe certain procedures for maintaining those actions; to require security for losses arising out of certain accidents; to provide for the continued availability and affordability of

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

1 violation of this act.

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

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

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

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

20           (a) With respect to all automobile insurance coverages:

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

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

27           (iii) Average miles driven weekly, annually, or both.

1 (iv) Type of use, such as business, farm, or pleasure use.

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

6 (vi) Daily or weekly commuting mileage.

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

11 (viii) Amount of insurance.

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

14 (i) Earned income.

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

17 (iii) Coordination of benefits.

18 (iv) Use of a safety belt.

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

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

25 (ii) Vehicle make and model.

26 (iii) Vehicle design characteristics related to vehicle  
27 damageability.

1 (iv) Vehicle characteristics relating to automobile theft  
2 prevention devices.

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

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

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

11 (A) The effects of aging on driving behavior.

12 (B) The shapes, colors, and types of road signs.

13 (C) The effects of alcohol and medication on driving.

14 (D) The laws relating to the proper use of a motor vehicle.

15 (E) Accident prevention measures.

16 (F) The benefits of safety belts and child restraints.

17 (G) Major driving hazards.

18 (H) Interaction with other highway users, such as  
19 motorcyclists, bicyclists, and pedestrians.

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

27 (a) Substantially at-fault accidents.

1 (b) Convictions for, determinations of responsibility for  
2 civil infractions for, or findings of responsibility in probate  
3 court for civil infractions for violations under chapter VI of the  
4 Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750.  
5 However, an insured shall not be merit rated for a civil infraction  
6 under chapter VI of the Michigan vehicle code, 1949 PA 300, MCL  
7 257.601 to 257.750, for a period of time longer than that which the  
8 secretary of state's office carries points for that infraction on  
9 the insured's motor vehicle record.

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

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

17 (6) This section does not limit insurers or rating  
18 organizations from establishing and maintaining statistical  
19 reporting territories. This section does not prohibit an insurer  
20 from establishing or maintaining, for automobile insurance, a  
21 premium discount plan for senior citizens in this state who are 65  
22 years of age or older, if the plan is uniformly applied by the  
23 insurer throughout this state. If an insurer has not established  
24 and maintained a premium discount plan for senior citizens, the  
25 insurer shall offer reduced premium rates to senior citizens in  
26 this state who are 65 years of age or older and who drive less than  
27 3,000 miles per year, regardless of statistical data.

1           (7) Classifications established under this section for home  
2 insurance other than inland marine insurance provided by policy  
3 floaters or endorsements ~~shall~~**MUST** be based only on 1 or more of  
4 the following factors:

5           (a) Amount and types of coverage.

6           (b) Security and safety devices, including locks, smoke  
7 detectors, and similar, related devices.

8           (c) Repairable structural defects reasonably related to risk.

9           (d) Fire protection class.

10          (e) Construction of structure, based on structure size,  
11 building material components, and number of units.

12          (f) Loss experience of the insured, based on prior claims  
13 attributable to factors under the control of the insured that have  
14 been paid by an insurer. An insured's failure, after written notice  
15 from the insurer, to correct a physical condition that presents a  
16 risk of repeated loss ~~shall be considered~~**IS** a factor under the  
17 control of the insured for purposes of this subdivision.

18          (g) Use of smoking materials within the structure.

19          (h) Distance of the structure from a fire hydrant.

20          (i) Availability of law enforcement or crime prevention  
21 services.

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

24          (9) An insurer may use factors in addition to those permitted  
25 by this section for insurance if the plan is consistent with the  
26 purposes of this act and reflects reasonably anticipated reductions  
27 or increases in losses or expenses.



1           Sec. 3101. (1) The owner or registrant of a motor vehicle  
2 required to be registered in this state shall maintain security for  
3 payment of ~~benefits under personal protection insurance~~ **BENEFITS**  
4 **PAYABLE UNDER SECTION 3107 UP TO ANY LIMIT ON BENEFITS APPLICABLE**  
5 **UNDER SECTION 3109A AND SUBJECT TO ANY EXCLUSION OF A QUALIFIED**  
6 **PERSON UNDER SECTION 3107C**, property protection insurance, and  
7 residual liability insurance **COVERAGE REQUIRED UNDER SECTION 3009**.  
8 Security is only required to be in effect during the period the  
9 motor vehicle is driven or moved on a highway. Notwithstanding any  
10 other provision in this act, an insurer that has issued an  
11 automobile insurance policy on a motor vehicle that is not driven  
12 or moved on a highway may allow the insured owner or registrant of  
13 the motor vehicle to delete a portion of the coverages under the  
14 policy and maintain the comprehensive coverage portion of the  
15 policy in effect.

16           (2) As used in this chapter:

17           (a) "Automobile insurance" means that term as defined in  
18 section 2102.

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

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

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

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

26           (iv) The vehicle is designed to be occupied by a driver and  
27 powered either by passengers providing pedal power to the drive

1 train of the vehicle or by a motor capable of propelling the  
2 vehicle in the absence of human power.

3 (v) The vehicle is used for commercial purposes.

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

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

9 (D) ~~(e)~~—"Golf cart" means a vehicle designed for  
10 transportation while playing the game of golf.

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

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

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

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

26 (I) ~~(g)~~—"Motorcycle accident" means a loss that involves the  
27 ownership, operation, maintenance, or use of a motorcycle as a

1 motorcycle, but does not involve the ownership, operation,  
2 maintenance, or use of a motor vehicle as a motor vehicle.

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

7 (i) A motorcycle.

8 (ii) A moped.

9 (iii) A farm tractor or other implement of husbandry that is  
10 not subject to the registration requirements of the Michigan  
11 vehicle code under section 216 of the Michigan vehicle code, 1949  
12 PA 300, MCL 257.216.

13 (iv) An ORV.

14 (v) A golf cart.

15 (vi) A power-driven mobility device.

16 (vii) A commercial quadricycle.

17 **(K)** ~~(i)~~—"Motor vehicle accident" means a loss that involves  
18 the ownership, operation, maintenance, or use of a motor vehicle as  
19 a motor vehicle regardless of whether the accident also involves  
20 the ownership, operation, maintenance, or use of a motorcycle as a  
21 motorcycle.

22 **(L)** ~~(j)~~—"ORV" means a motor-driven recreation vehicle designed  
23 for off-road use and capable of cross-country travel without  
24 benefit of road or trail, on or immediately over land, snow, ice,  
25 marsh, swampland, or other natural terrain. ORV includes, but is  
26 not limited to, a multitrack or multiwheel drive vehicle, a  
27 motorcycle or related 2-wheel, 3-wheel, or 4-wheel vehicle, an

1 amphibious machine, a ground effect air cushion vehicle, an ATV as  
2 defined in section 81101 of the natural resources and environmental  
3 protection act, 1994 PA 451, MCL 324.81101, or other means of  
4 transportation deriving motive power from a source other than  
5 muscle or wind. ORV does not include a vehicle described in this  
6 subdivision that is registered for use on a public highway and has  
7 the security required under subsection (1) or section 3103 in  
8 effect.

9 **(M)** ~~(k)~~—"Owner" means any of the following:

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

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

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

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

27 **(N)** ~~(l)~~—"Power-driven mobility device" means a wheelchair or

1 other mobility device powered by a battery, fuel, or other engine  
2 and designed to be used by an individual with a mobility disability  
3 for the purpose of locomotion.

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

6 (i) A PHYSICIAN AS THAT TERM IS DEFINED IN SECTIONS 17001 AND  
7 17501 OF THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.17001 AND  
8 333.17501.

9 (ii) A PHYSICIAN'S ASSISTANT LICENSED UNDER ARTICLE 15 OF THE  
10 PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16101 TO 333.18838, UNDER  
11 THAT HEALTH PROFESSION SUBFIELD OF THE PRACTICE OF MEDICINE OR THE  
12 PRACTICE OF OSTEOPATHIC MEDICINE AND SURGERY.

13 (iii) A DENTIST AS THAT TERM IS DEFINED IN SECTION 16601 OF  
14 THE PUBLIC HEALTH CODE, 1978 PA 368, MCL 333.16601.

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

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

23 (Q) "RELATED EMERGENCY CARE" MEANS A REASONABLY NECESSARY IN-  
24 PATIENT TREATMENT, PRODUCT, SERVICE, OR ACCOMMODATION RELATED TO,  
25 IMMEDIATELY FOLLOWING, AND NECESSITATED BY AN EMERGENCY MEDICAL  
26 CONDITION AS DETERMINED AND DOCUMENTED BY A QUALIFIED MEDICAL  
27 PROFESSIONAL.

1           (R) "RELATED PERSON" MEANS THE SPOUSE, A CHILD, OR A RELATIVE  
2 WHO IS RELATED TO THE PERSON WITHIN THE SEVENTH DEGREE OF  
3 CONSANGUINITY, AS COMPUTED BY THE CIVIL LAW METHOD.

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

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

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

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

25           Sec. 3104. (1) ~~An~~ **THE CATASTROPHIC CLAIMS ASSOCIATION IS**  
26 **CREATED AS AN** unincorporated, nonprofit association. ~~to be known as~~  
27 ~~the catastrophic claims association, hereinafter referred to as the~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

19 **(N) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED**  
20 **DURING THE PERIOD JULY 1, 2017 TO JUNE 30, 2019, \$555,000.00.**

21 Beginning July 1, ~~2013, 2019~~, this ~~\$500,000.00~~ **\$555,000.00** amount  
22 ~~shall~~ **MUST** be increased biennially on July 1 of each odd-numbered  
23 year, for policies issued or renewed before July 1 of the following  
24 odd-numbered year, by the lesser of 6% or the consumer price index,  
25 and rounded to the nearest \$5,000.00. ~~This~~ **THE ASSOCIATION SHALL**  
26 **CALCULATE THE** biennial adjustment ~~shall be calculated by the~~  
27 ~~association~~ by January 1 of the year of its July 1 effective date.



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

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

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

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

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

22 (a) Assume 100% of all liability as provided in subsection  
23 (2).

24 (b) Establish procedures by which members ~~shall~~**MUST** promptly  
25 report to the association each claim that, on the basis of the  
26 injuries or damages sustained, may reasonably be anticipated to  
27 involve the association if the member is ultimately held legally

1 liable for the injuries or damages. Solely for the purpose of  
2 reporting claims, the member shall in all instances consider itself  
3 legally liable for the injuries or damages. The member shall also  
4 advise the association of subsequent developments likely to  
5 materially affect the interest of the association in the claim.

6 (c) Maintain relevant loss and expense data ~~relative~~**RELATING**  
7 to all liabilities of the association and require each member to  
8 furnish statistics, in connection with liabilities of the  
9 association, at the times and in the form and detail as ~~may be~~  
10 required by the plan of operation.

11 (d) In a manner provided for in the plan of operation,  
12 calculate and charge to members of the association a total premium  
13 sufficient to cover the expected losses and expenses of the  
14 association that the association will likely incur during the  
15 period for which the premium is applicable. The **TOTAL** premium ~~shall~~  
16 **MUST** include an amount to cover incurred but not reported losses  
17 for the period and ~~may~~**MUST** be adjusted for any excess or deficient  
18 premiums from previous periods. Excesses or deficiencies from  
19 previous periods ~~may~~**MUST EITHER** be fully adjusted in a single  
20 period or ~~may be~~ adjusted over several periods in a manner provided  
21 for in the plan of operation. Each member ~~shall~~**MUST** be charged an  
22 amount equal to that member's total written car years of insurance  
23 providing the security required by section 3101(1) or 3103(1), or  
24 both, written in this state during the period to which the premium  
25 applies, **WITH THE TOTAL WRITTEN CAR YEARS OF INSURANCE** multiplied  
26 by the **APPLICABLE** average premium per car. The average premium per  
27 car ~~shall be~~**IS** the total premium, ~~calculated~~**AS ADJUSTED FOR ANY**

1 **EXCESSES OR DEFICIENCIES**, divided by the total written car years of  
2 insurance providing the security required by section 3101(1) or  
3 3103(1), **OR BOTH**, written in this state of all members during the  
4 period to which the premium applies, **EXCLUDING CARS INSURED UNDER A**  
5 **POLICY WITH A COVERAGE LIMIT UNDER SECTION 3109A(2) (A) OR (B)**  
6 **EXCEPT FOR ANY PORTION OF TOTAL PREMIUM THAT IS AN ADJUSTMENT FOR A**  
7 **DEFICIENCY IN A PREVIOUS PERIOD. A MEMBER MAY NOT BE CHARGED A**  
8 **PREMIUM FOR A CAR INSURED UNDER A POLICY WITH A COVERAGE LIMIT**  
9 **UNDER SECTION 3109A(2) (A) OR (B) OTHER THAN FOR THE PORTION OF THE**  
10 **TOTAL PREMIUM ATTRIBUTABLE TO AN ADJUSTMENT FOR A DEFICIENCY IN A**  
11 **PREVIOUS PERIOD. A member shall—MUST** be charged a premium for a  
12 historic vehicle that is insured with the member of 20% of the  
13 premium charged for a car insured with the member. **NOT LESS THAN 60**  
14 **DAYS BEFORE A CHANGE IN THE TOTAL PREMIUM IS EFFECTIVE, THE**  
15 **ASSOCIATION SHALL PROVIDE THE DIRECTOR OF THE DEPARTMENT WITH A**  
16 **WRITTEN REPORT ON THE NEW PREMIUM AMOUNT, THE CHANGE IN THE PREMIUM**  
17 **AMOUNT FROM THE PREVIOUS PERIOD, AND AN EXPLANATION DETAILING THE**  
18 **REASONS FOR THE CHANGE, INCLUDING A JUSTIFICATION OF ANY ADJUSTMENT**  
19 **FOR ANY EXCESSES OR DEFICIENCIES FROM PREVIOUS PERIODS.** As used in  
20 this subdivision:

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

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

26 (e) Require and accept the payment of premiums from members of  
27 the association as provided for in the plan of operation. The

1 association shall do either of the following:

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

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

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

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

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

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

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

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

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

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

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

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

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

23 (10) The plan of operation ~~shall~~**MUST** provide for all of the  
24 following:

25 (a) The establishment of necessary facilities.

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

27 (c) Procedures to be utilized in charging premiums, including

1 adjustments from excess or deficient premiums from prior periods.

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

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

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

27 (G) ~~(e)~~—Reimbursement of each member of the board by the

1 association for actual and necessary expenses incurred on  
2 association business.

3 (H) ~~(f)~~—The investment policy of the association.

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

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

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

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

22 (14) ~~Each director~~ ~~THE DIRECTOR OF THE DEPARTMENT~~ shall be  
23 ~~appointed by the commissioner and~~ ~~APPOINT THE BOARD MEMBERS. A~~  
24 ~~BOARD MEMBER~~ shall serve until ~~that member's~~ ~~HIS OR HER~~ successor  
25 is selected and qualified. The ~~BOARD SHALL ELECT THE~~ chairperson of  
26 the board. ~~shall be elected by the board. A~~ ~~THE DIRECTOR OF THE~~  
27 ~~DEPARTMENT SHALL FILL ANY~~ vacancy on the board ~~shall be filled by~~

1 ~~the commissioner consistent with~~ **AS PROVIDED IN** the plan of  
2 operation.

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

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

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

22 ~~—— (18) The plan of operation, unless approved sooner in writing,~~  
23 ~~shall be considered to meet the requirements of this section if it~~  
24 ~~is not disapproved by written order of the commissioner within 30~~  
25 ~~days after the date of its submission. Before disapproval of all or~~  
26 ~~any part of the proposed plan of operation, the commissioner shall~~  
27 ~~notify the board in what respect the plan of operation fails to~~



1 ~~meet the requirements and objectives of this section. If the board~~  
 2 ~~fails to submit a revised plan of operation that meets the~~  
 3 ~~requirements and objectives of this section within the 30-day~~  
 4 ~~period, the commissioner shall enter an order accordingly and shall~~  
 5 ~~immediately formulate and place into effect a plan consistent with~~  
 6 ~~the requirements and objectives of this section.~~

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

16       (18) ~~(20) Upon approval by the commissioner and ratification~~  
 17 ~~by the members of the plan submitted, or upon the promulgation of a~~  
 18 ~~plan by the commissioner, each AN~~ insurer authorized to write  
 19 insurance providing the security required by section 3101(1) in  
 20 this state, as provided in this section, is bound by and shall  
 21 formally subscribe to and participate in the plan ~~approved~~**OF**  
 22 **OPERATION** as a condition of maintaining its authority to transact  
 23 insurance in this state.

24       (19) ~~(21) The association is subject to all the reporting,~~  
 25 ~~loss reserve, and investment requirements of the commissioner~~  
 26 **DIRECTOR OF THE DEPARTMENT** to the same extent as ~~would~~**IS** a member  
 27 of the association.

1           (20) ~~(22)~~ Premiums charged members by the association shall  
2 **MUST** be recognized in the rate-making procedures for insurance  
3 rates in the same manner that expenses and premium taxes are  
4 recognized.

5           (21) ~~(23)~~ The ~~commissioner~~ **DIRECTOR OF THE DEPARTMENT** or an  
6 authorized representative of the ~~commissioner~~ **DIRECTOR OF THE**  
7 **DEPARTMENT** may visit the association at any time and examine any  
8 and all **OF** the association's affairs. **BEGINNING JULY 1, 2018, AND**  
9 **EVERY FIFTH YEAR AFTER 2018, THE DIRECTOR OF THE DEPARTMENT SHALL**  
10 **ENGAGE 1 OR MORE INDEPENDENT ACTUARIES TO EXAMINE THE AFFAIRS AND**  
11 **RECORDS OF THE ASSOCIATION RELATING TO PREMIUMS CHARGED TO MEMBERS**  
12 **OF THE ASSOCIATION UNDER SUBSECTION (7) (D), ADJUSTMENTS TO PREMIUMS**  
13 **FOR ANY EXCESSES OR DEFICIENCIES UNDER SUBSECTION (7) (D), AND ANY**  
14 **REBATES UNDER SUBSECTION (10) (E), DURING THE PREVIOUS 5 YEARS. BY**  
15 **DECEMBER 31, 2018 AND BY DECEMBER 31 OF EVERY FIFTH YEAR AFTER**  
16 **2018, THE DIRECTOR OF THE DEPARTMENT SHALL REPORT TO THE GOVERNOR**  
17 **AND THE STANDING COMMITTEES OF THE SENATE AND HOUSE OF**  
18 **REPRESENTATIVES WITH PRIMARY JURISDICTION OVER INSURANCE ISSUES ON**  
19 **ALL OF THE FOLLOWING RELATING TO THE 5-YEAR PERIOD ENDING ON THE**  
20 **PREVIOUS JUNE 30:**

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

25           (B) THE EXPECTATIONS USED BY THE ASSOCIATION FOR MEDICAL COST  
26 INFLATION, ECONOMIC CONDITIONS, INVESTMENT RETURN, AND THE NUMBER  
27 OF CLAIMS PRESENTED TO THE ASSOCIATION.

1 (C) THE ASSOCIATION'S COMPLIANCE WITH SUBSECTION (10) (D) AND  
2 (E) .

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

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

11 (22) IF THE ACTUARIAL EXAMINATION UNDER SUBSECTION (21) SHOWS  
12 THAT THE ASSETS OF THE ASSOCIATION EXCEED 120% OF ITS LIABILITIES,  
13 INCLUDING INCURRED BUT NOT REPORTED LIABILITIES, THE DIRECTOR OF  
14 THE DEPARTMENT SHALL ORDER THE ASSOCIATION TO REBATE THE EXCESS  
15 UNDER SUBSECTION (10) (E) AND THE MEMBERS OF THE ASSOCIATION TO  
16 DISTRIBUTE THE REBATES UNDER SUBSECTION (24) .

17 (23) WITHIN 30 DAYS AFTER RECEIVING AN ORDER FROM THE DIRECTOR  
18 OF THE DEPARTMENT UNDER SUBSECTION (22) , THE ASSOCIATION MAY  
19 REQUEST A HEARING TO REVIEW THE ORDER BY FILING A WRITTEN REQUEST  
20 WITH THE DIRECTOR OF THE DEPARTMENT. THE DEPARTMENT SHALL CONDUCT  
21 THE REVIEW AS A CONTESTED CASE UNDER THE ADMINISTRATIVE PROCEDURES  
22 ACT OF 1969, 1969 PA 306, MCL 24.201 TO 24.328 .

23 (24) A MEMBER OF THE ASSOCIATION SHALL DISTRIBUTE ANY REBATE  
24 IT RECEIVES UNDER SUBSECTION (10) (E) TO THE PERSON THAT IT INSURES  
25 UNDER POLICIES THAT PROVIDE THE SECURITY REQUIRED UNDER SECTION  
26 3101(1) OR 3103(1) , OR BOTH, ON A UNIFORM BASIS PER CAR IN A MANNER  
27 AND ON THE DATE OR DATES PROVIDED BY THE DIRECTOR OF THE DEPARTMENT

1 IN ACCORDANCE WITH AN ORDER ISSUED BY THE DIRECTOR. AS USED IN THIS  
2 SUBSECTION, "CAR" MEANS THAT TERM AS DEFINED IN SUBSECTION (7) (D) .

3 (25) ~~(24)~~—The association does not have liability for losses  
4 occurring before July 1, 1978. **AFTER JUNE 30, 2018, THE ASSOCIATION**  
5 **DOES NOT HAVE LIABILITY FOR AN ULTIMATE LOSS UNDER PERSONAL**  
6 **PROTECTION INSURANCE COVERAGE FOR A MOTOR VEHICLE ACCIDENT POLICY**  
7 **IF A COVERAGE LIMIT UNDER SECTION 3109A(2) (A) OR (B) IS EFFECTIVE**  
8 **FOR THE POLICY AT THE TIME OF THE ULTIMATE LOSS. AN ULTIMATE LOSS**  
9 **IS INCURRED BY THE ASSOCIATION ON THE DATE THAT THE ULTIMATE LOSS**  
10 **OCCURS.**

11 (26) FOR PURPOSES OF THIS SECTION, THE DATE THAT A MOTOR  
12 VEHICLE ACCIDENT POLICY IS ISSUED OR RENEWED IS THE EFFECTIVE DATE  
13 OF PERSONAL PROTECTION INSURANCE COVERAGE UNDER THE POLICY.

14 (27) ~~(25)~~—As used in this section:

15 (A) "ASSOCIATION" MEANS THE CATASTROPHIC CLAIMS ASSOCIATION  
16 CREATED IN SUBSECTION (1) .

17 (B) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE ASSOCIATION  
18 CREATED IN SUBSECTION (9) .

19 (C) ~~(a)~~—"Consumer price index" means the percentage of change  
20 in the consumer price index for all urban consumers in the United  
21 States city average for all items for the 24 months ~~prior to~~ **BEFORE**  
22 October 1 of the year ~~prior to~~ **BEFORE** the July 1 effective date of  
23 the biennial adjustment under subsection ~~(2) (k)~~ **(2) (N)** as reported  
24 by the United States ~~department of labor, bureau of labor~~  
25 ~~statistics,~~ **DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS,** and as  
26 certified by the ~~commissioner.~~ **DIRECTOR OF THE DEPARTMENT.**

27 (D) ~~(b)~~—"Motor vehicle accident policy" means a policy

1 providing the coverages required under section 3101(1).

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

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

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

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

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

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

24 (b) Work loss consisting of loss of income from work an  
25 injured person would have performed during the first 3 years after  
26 the date of the accident if he or she had not been injured. Work  
27 loss does not include any loss after the date on which the injured

1 person dies. Because the benefits received from personal protection  
2 insurance for loss of income are not taxable income, the benefits  
3 payable for ~~such~~ loss of income ~~shall~~ **MUST** be reduced 15% unless  
4 the claimant presents to the insurer in support of his or her claim  
5 reasonable proof of a lower value of the income tax advantage in  
6 his or her case, in which case the lower value ~~shall apply~~. **MUST BE**  
7 **APPLIED**. For the period beginning October 1, 2012 through September  
8 30, 2013, the benefits payable for work loss sustained in a single  
9 30-day period and the income earned by an injured person for work  
10 during the same period together ~~shall~~ **MUST** not exceed \$5,189.00,  
11 which maximum ~~shall apply~~ **MUST BE APPLIED** pro rata to any lesser  
12 period of work loss. Beginning October 1, 2013, the maximum ~~shall~~  
13 **MUST** be adjusted annually to reflect changes in the cost of living  
14 under rules prescribed by the ~~commissioner~~ **DIRECTOR**, but any change  
15 in the maximum ~~shall apply~~ **APPLIES** only to benefits arising out of  
16 ~~accidents occurring subsequent to~~ **AN ACCIDENT THAT OCCURS AFTER** the  
17 date of change in the maximum.

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

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

26 (a) A person who is 60 years of age or older and in the event  
27 of an accidental bodily injury would not be eligible to receive

1 work loss benefits under subsection (1) (b) may waive coverage for  
2 work loss benefits by signing a waiver on a form provided by the  
3 insurer. An insurer shall offer a reduced premium rate to a person  
4 who waives coverage under this subsection for work loss benefits.  
5 Waiver of coverage for work loss benefits applies only to work loss  
6 benefits payable to the person or persons who have signed the  
7 waiver form.

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

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

15 **(i) A RELATED PERSON OF THE INJURED PERSON.**

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

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

20 **(D) AN INSURER IS NOT REQUIRED TO PROVIDE COVERAGE FOR GROUND**  
21 **TRANSPORTATION SERVICES OTHER THAN AMBULANCE SERVICES DESCRIBED IN**  
22 **SUBDIVISION (E) IN AN AMOUNT THAT EXCEEDS 300% OF THE OPTIONAL**  
23 **STANDARD MILEAGE RATE PROVIDED BY THE INTERNAL REVENUE SERVICE FOR**  
24 **USE IN CALCULATING THE DEDUCTIBLE COST OF OPERATING AN AUTOMOBILE**  
25 **FOR MEDICAL CARE DESCRIBED IN SECTION 213 OF THE INTERNAL REVENUE**  
26 **CODE OF 1986, 26 USC 213. EVERY SECOND YEAR AFTER DECEMBER 31,**  
27 **2020, THE DIRECTOR SHALL REVIEW ANY CHANGES TO THE OPTIONAL**

1 STANDARD MILEAGE RATE PROVIDED BY THE INTERNAL REVENUE SERVICE FOR  
2 USE IN CALCULATING THE DEDUCTIBLE COST OF OPERATING AN AUTOMOBILE  
3 FOR MEDICAL CARE DESCRIBED IN SECTION 213 OF THE INTERNAL REVENUE  
4 CODE, 26 USC 213. IF THE DIRECTOR DETERMINES THAT THE CHANGES TO  
5 THE OPTIMAL STANDARD MILEAGE RATE PROVIDED BY THE INTERNAL REVENUE  
6 SERVICE ARE REASONABLE AND APPROPRIATE FOR PURPOSES OF ASSURING  
7 AFFORDABLE AUTOMOBILE INSURANCE IN THIS STATE, THE CHANGES APPLY  
8 FOR PURPOSES OF THIS SUBDIVISION AND THE DIRECTOR SHALL ISSUE AN  
9 ORDER TO THAT EFFECT.

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

27 (F) A CLAIM FOR GROUND TRANSPORTATION SERVICES OR AMBULANCE



1 SERVICES MUST IDENTIFY THE PROVIDER OF THE SERVICES, EACH LOCATION  
2 AT WHICH THE INJURED PERSON WAS PICKED UP BY THE PROVIDER, EACH  
3 LOCATION AT WHICH THE INJURED PERSON WAS DROPPED OFF BY THE  
4 PROVIDER, THE MILEAGE BETWEEN EACH LOCATION, AND THE TOTAL MILEAGE  
5 FOR EACH DAY IN WHICH A CLAIM FOR TRANSPORTATION OR AMBULANCE  
6 SERVICES IS MADE.

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

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

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

26 (2) FOR AUTOMOBILE INSURANCE POLICIES ISSUED OR RENEWED AFTER  
27 JUNE 30, 2018, EACH PERSON WHO IS 62 YEARS OF AGE OR OLDER SHALL

1 COMPLETE A FORM, APPROVED BY THE DIRECTOR, TO CERTIFY WHETHER HE OR  
2 SHE IS A QUALIFIED PERSON. THE FORM ALSO MUST PROVIDE A QUALIFIED  
3 PERSON THE OPTION TO PURCHASE PERSONAL PROTECTION INSURANCE  
4 BENEFITS FOR THE QUALIFIED PERSON NOTWITHSTANDING HIS OR HER STATUS  
5 AS A QUALIFIED PERSON AND DISCLOSE IN A CONSPICUOUS MANNER THAT A  
6 QUALIFIED PERSON IS NOT OBLIGATED TO PURCHASE PERSONAL PROTECTION  
7 INSURANCE COVERAGE FOR THE QUALIFIED PERSON.

8 (3) A QUALIFIED PERSON WHO OPTS TO PURCHASE PERSONAL  
9 PROTECTION INSURANCE UNDER THIS SECTION SHALL SELECT A COVERAGE  
10 LEVEL UNDER SECTION 3109A(2). IF A QUALIFIED PERSON DOES NOT OPT TO  
11 PURCHASE PERSONAL PROTECTION INSURANCE BENEFITS FOR THE QUALIFIED  
12 PERSON, THE AUTOMOBILE INSURANCE POLICY MUST INCLUDE PERSONAL  
13 PROTECTION INSURANCE PAYABLE UNDER THE POLICY ONLY FOR OTHER  
14 PERSONS WHO HAVE A RIGHT TO CLAIM PERSONAL PROTECTION INSURANCE  
15 BENEFITS UNDER THE POLICY UP TO THE COVERAGE LIMITS UNDER SECTION  
16 3109A(2) (A) AND NOT FOR THE QUALIFIED PERSON.

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

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

26 (6) IF A QUALIFIED PERSON PROVIDES THE CERTIFICATION REQUIRED  
27 UNDER THIS SECTION TO AN INSURER AND DOES NOT OPT TO PURCHASE

1 PERSONAL PROTECTION INSURANCE BENEFITS IN COMPLIANCE WITH THIS  
2 SECTION, THE INSURER IS DISCHARGED FROM ANY LIABILITY FOR PERSONAL  
3 PROTECTION INSURANCE BENEFITS UNDER THIS CHAPTER FOR THE QUALIFIED  
4 PERSON.

5 (7) AS USED IN THIS SECTION:

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

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

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

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

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

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

1 FOLLOWING COVERAGE LEVELS FOR THE PERSONAL PROTECTION INSURANCE  
2 BENEFITS:

3 (A) A LIMIT OF \$250,000.00 PER INDIVIDUAL PER LOSS OCCURRENCE,  
4 CONSISTING OF BOTH OF THE FOLLOWING:

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

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

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

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

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

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

24 (B) IF THE INSURED PERSON NAMED IN THE POLICY SELECTS A  
25 COVERAGE LIMIT UNDER SUBSECTION (2) (A) OR (B) , THE COVERAGE LIMIT  
26 UNDER SUBSECTION (2) (A) OR (B) APPLIES TO PERSONAL PROTECTION  
27 INSURANCE BENEFITS PAYABLE UNDER THE POLICY TO THE INSURED PERSON,

1 THE INSURED PERSON'S SPOUSE, A RELATIVE OF EITHER DOMICILED IN THE  
2 SAME HOUSEHOLD, AND ANY OTHER PERSON WITH A RIGHT TO CLAIM PERSONAL  
3 PROTECTION INSURANCE BENEFITS UNDER THE POLICY.

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

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

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

26 (4) FOR PURPOSES OF THIS SECTION, THE DATE THAT A POLICY IS  
27 ISSUED OR RENEWED IS THE EFFECTIVE DATE OF BOTH THE PERSONAL

**1 PROTECTION INSURANCE COVERAGE UNDER THE POLICY AND THE COVERAGE  
2 LEVEL APPLICABLE UNDER THIS SECTION.**

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

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

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

14 (c) The person was not a resident of this state, was an  
15 occupant of a motor vehicle or motorcycle not registered in this  
16 state, and the motor vehicle or motorcycle was not insured by an  
17 insurer that has filed a certification in compliance with section  
18 3163.

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

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

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

27 Sec. 3114. (1) Except as provided in subsections (2), (3), and

1 (5), a personal protection insurance policy described in section  
2 3101(1) applies to accidental bodily injury to the person named in  
3 the policy, the person's spouse, and a relative of either domiciled  
4 in the same household, if the injury arises from a motor vehicle  
5 accident. A personal injury insurance policy described in section  
6 3103(2) applies to accidental bodily injury to the person named in  
7 the policy, the person's spouse, and a relative of either domiciled  
8 in the same household, if the injury arises from a motorcycle  
9 accident. If personal protection insurance benefits or personal  
10 injury benefits described in section 3103(2) are payable to or for  
11 the benefit of an injured person under his or her own policy and  
12 would also be payable under the policy of his or her spouse,  
13 relative, or relative's spouse, the injured person's insurer shall  
14 pay all of the benefits and is not entitled to recoupment from the  
15 other insurer. **EXCEPT AS PROVIDED IN SECTION 3107C, A COVERAGE  
16 LIMIT APPLICABLE TO A PERSONAL PROTECTION INSURANCE POLICY UNDER  
17 SECTION 3109A(2) APPLIES TO PERSONAL PROTECTION INSURANCE BENEFITS  
18 PAYABLE FOR ACCIDENTAL BODILY INJURY TO THE PERSON NAMED IN THE  
19 POLICY, THE PERSON'S SPOUSE, AND A RELATIVE OF EITHER DOMICILED IN  
20 THE SAME HOUSEHOLD, IF THE INJURY ARISES FROM A MOTOR VEHICLE  
21 ACCIDENT.**

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

1 personal protection insurance benefits under any other policy:

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

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

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

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

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

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

14 (g) A transportation network company vehicle.

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 (3), a person  
22 suffering accidental bodily injury arising from a motor vehicle  
23 accident while an occupant of a motor vehicle shall claim personal  
24 protection insurance benefits from insurers in the following order  
25 of priority:

26 (a) The insurer of the owner or registrant of the vehicle  
27 occupied.



1 (b) The insurer of the operator of the vehicle occupied.

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

7 (a) The insurer of the owner or registrant of the motor  
8 vehicle involved in the accident, **SUBJECT TO THE APPLICABLE**  
9 **COVERAGE LEVEL FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER**  
10 **SECTION 3109A(2)**.

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

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 benefits due is entitled to partial  
21 recoupment from the other insurers in the same order of priority,  
22 and a reasonable amount of partial recoupment of the expense of  
23 processing the claim, in order to accomplish equitable distribution  
24 of the loss among all of the insurers, **SUBJECT TO THE APPLICABLE**  
25 **COVERAGE LEVEL FOR PERSONAL PROTECTION INSURANCE BENEFITS UNDER**  
26 **SECTION 3109A(2)**.

27 (7) **NOTWITHSTANDING ANYTHING IN THIS CHAPTER TO THE CONTRARY,**

1 A COVERAGE LIMIT UNDER SECTION 3109A(2) OR SECTION 3163(4) APPLIES  
2 ON A PER OCCURRENCE PER LOSS BASIS NOTWITHSTANDING THE NUMBER OF  
3 POLICIES APPLICABLE TO THE OCCURRENCE OR THE LOSS.

4 (8) ~~(7)~~—As used in this section:

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

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

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

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

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

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

26 (ii) There is a factual dispute concerning the nature and  
27 extent of the person's injuries, but the dispute is not material to

1 the determination whether the person has suffered a serious  
2 impairment of body function or permanent serious disfigurement.  
3 However, for a closed-head injury, a question of fact for the jury  
4 is created if a licensed allopathic or osteopathic physician who  
5 regularly diagnoses or treats closed-head injuries testifies under  
6 oath that there may be a serious neurological injury.

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

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

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

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

21 (a) Intentionally caused harm to persons or property. Even  
22 though a person knows that harm to persons or property is  
23 substantially certain to be caused by his or her act or omission,  
24 the person does not cause or suffer that harm intentionally if he  
25 or she acts or refrains from acting for the purpose of averting  
26 injury to any person, including himself or herself, or for the  
27 purpose of averting damage to tangible property.

1 (b) Damages for noneconomic loss as provided and limited in  
2 subsections (1) and (2).

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

10 (d) Damages for economic loss by a nonresident in excess of  
11 the personal protection insurance benefits provided under section  
12 3163(4). Damages under this subdivision are not recoverable to the  
13 extent that benefits covering the same loss are available from  
14 other sources, regardless of the nature or number of benefit  
15 sources available and regardless of the nature or form of the  
16 benefits.

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

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

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

26 (b) Liability is not a component of residual liability, as  
27 prescribed in section 3131, for which maintenance of security is

1 required by this act.

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

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

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

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

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

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

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

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

25 (2) Personal protection insurance benefits are overdue if not  
26 paid within 30 days after an insurer receives reasonable proof of  
27 the fact and of the amount of loss sustained **AND ANY APPLICABLE**

1 **REQUIREMENT UNDER SECTION 3157 IS SATISFIED.** If **ANY APPLICABLE**  
2 **REQUIREMENT UNDER SECTION 3157 IS SATISFIED BUT** reasonable proof is  
3 not supplied as to the entire claim, the amount supported by  
4 reasonable proof is overdue if not paid within 30 days after the  
5 proof is received by the insurer. Any part of the remainder of the  
6 claim that is later supported by reasonable proof is overdue if not  
7 paid within 30 days after the proof is received by the insurer. For  
8 the purpose of calculating the extent to which benefits are  
9 overdue, payment ~~shall~~**MUST** be treated as made on the date a draft  
10 or other valid instrument was placed in the United States mail in a  
11 properly addressed, postpaid envelope, or, if not so posted, on the  
12 date of delivery.

13 (3) An overdue payment bears simple interest at the rate of  
14 12% per annum.

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

17 Sec. 3148. (1) ~~An~~**SUBJECT TO SUBSECTIONS (5) AND (6), AN**  
18 attorney ~~is entitled to~~**MAY BE AWARDED** a reasonable fee for  
19 advising and representing a claimant in an action for personal or  
20 property protection insurance benefits ~~which~~**THAT** are overdue. The  
21 attorney's fee ~~shall be~~**IS** a charge against the insurer in addition  
22 to the benefits recovered, if the court finds that the insurer  
23 unreasonably refused to pay the claim or unreasonably delayed in  
24 making proper payment. **AN ATTORNEY ADVISING OR REPRESENTING AN**  
25 **INJURED PERSON CONCERNING A CLAIM FOR PAYMENT OF PERSONAL**  
26 **PROTECTION INSURANCE BENEFITS FROM AN INSURER SHALL NOT CLAIM,**  
27 **FILE, OR SERVE A LIEN FOR PAYMENT OF A FEE OR FEES UNTIL ALL OF THE**

1 FOLLOWING APPLY:

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

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

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

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

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

16 (3) ~~(2) An~~ A COURT MAY AWARD AN insurer may be allowed by a  
17 court an award of a reasonable sum AMOUNT against a claimant as an  
18 attorney's ATTORNEY fee for the insurer's attorney in defense  
19 DEFENDING against a ANY OF THE FOLLOWING:

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

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

25 (C) A CLAIM FOR WHICH THE CLIENT WAS SOLICITED BY THE ATTORNEY  
26 IN VIOLATION OF THE LAW OF THIS STATE OR THE MICHIGAN RULES OF  
27 PROFESSIONAL CONDUCT.

1           (4) To the extent that personal or property protection  
2 insurance benefits are then due or thereafter come due to the  
3 claimant because of loss resulting from the injury on which the  
4 claim is based, ~~such a~~ **AN ATTORNEY** fee **AWARDED IN FAVOR OF THE**  
5 **INSURER** may be ~~treated~~ **TAKEN** as an offset against ~~such~~ **THE**  
6 benefits. ~~;~~ ~~also,~~ ~~judgment~~ **JUDGMENT** may **ALSO** be entered against the  
7 claimant for any amount of a ~~an~~ **AN ATTORNEY** fee awarded against him  
8 and **THAT IS** not offset ~~in this way~~ **AGAINST BENEFITS** or otherwise  
9 paid.

10           (5) **FOR A DISPUTE OVER PAYMENT FOR ALLOWABLE EXPENSES UNDER**  
11 **SECTION 3107(1) (A) FOR ATTENDANT CARE OR NURSING SERVICES, ATTORNEY**  
12 **FEEES MAY BE AWARDED IN RELATION TO EXPENSES RECOVERED FOR THE 12**  
13 **MONTHS PRECEDING THE DATE THE INSURER IS NOTIFIED OF THE DISPUTE.**  
14 **ATTORNEY FEES MUST NOT BE AWARDED IN RELATION TO EXPENSES PAID**  
15 **AFTER THE DATE THE INSURER IS NOTIFIED OF THE DISPUTE, INCLUDING**  
16 **ANY FUTURE PAYMENTS ORDERED AFTER THE JUDGMENT IS ENTERED.**

17           (6) **A COURT SHALL NOT AWARD A FEE TO AN ATTORNEY FOR ADVISING**  
18 **OR REPRESENTING A CLAIMANT IN AN ACTION FOR PERSONAL OR PROPERTY**  
19 **PROTECTION INSURANCE BENEFITS FOR A TREATMENT, PRODUCT, SERVICE,**  
20 **REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION PROVIDED TO**  
21 **THE CLAIMANT IF THE ATTORNEY OR A RELATED PERSON OF THE ATTORNEY**  
22 **HAS, OR HAD AT THE TIME THE TREATMENT, PRODUCT, SERVICE,**  
23 **REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION WAS**  
24 **PROVIDED, A DIRECT OR INDIRECT FINANCIAL INTEREST IN THE PERSON**  
25 **THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE, REHABILITATIVE**  
26 **OCCUPATIONAL TRAINING, OR ACCOMMODATION. FOR PURPOSES OF THIS**  
27 **SUBSECTION, A DIRECT OR INDIRECT FINANCIAL INTEREST EXISTS IF THE**



1 PERSON THAT PROVIDED THE TREATMENT, PRODUCT, SERVICE,  
2 REHABILITATIVE OCCUPATIONAL TRAINING, OR ACCOMMODATION MAKES A  
3 DIRECT OR INDIRECT PAYMENT OR GRANTS A FINANCIAL INCENTIVE TO THE  
4 ATTORNEY OR A RELATED PERSON OF THE ATTORNEY RELATING TO THE  
5 TREATMENT, PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING,  
6 OR ACCOMMODATION WITHIN 24 MONTHS BEFORE OR AFTER THE TREATMENT,  
7 PRODUCT, SERVICE, REHABILITATIVE OCCUPATIONAL TRAINING, OR  
8 ACCOMMODATION IS PROVIDED.

9 Sec. 3157. (1) ~~A~~**SUBJECT TO SUBSECTIONS (2) TO (5), A**  
10 physician, hospital, clinic, or other person or institution  
11 lawfully rendering treatment, **PRODUCTS, SERVICES, OR ACCOMMODATIONS**  
12 to an injured person for an accidental bodily injury covered by  
13 personal protection insurance, and a person or institution  
14 providing rehabilitative occupational training **TO THE INJURED**  
15 **PERSON** following the injury, may charge a reasonable amount for the  
16 **TREATMENT, TRAINING,** products, services, and accommodations  
17 rendered. The charge ~~shall~~**MUST** not exceed the amount the person or  
18 institution customarily charges for like **TREATMENT, TRAINING,**  
19 products, services, and accommodations in cases ~~not involving~~**THAT**  
20 **DO NOT INVOLVE PERSONAL PROTECTION** insurance. **A PHYSICIAN,**  
21 **HOSPITAL, CLINIC, OR OTHER PERSON OR INSTITUTION THAT RECEIVED**  
22 **PAYMENT OR REIMBURSEMENT OF THE AMOUNT AUTHORIZED UNDER THIS**  
23 **CHAPTER FOR A TREATMENT, TRAINING, PRODUCT, SERVICE, OR**  
24 **ACCOMMODATION OF AN INJURED PERSON FOR AN ACCIDENTAL BODILY INJURY**  
25 **COVERED BY PERSONAL PROTECTION INSURANCE SHALL NOT CHARGE OR BILL**  
26 **THE INJURED PERSON ANY REMAINING BALANCE OR OTHER ADDITIONAL AMOUNT**  
27 **FOR THE TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION.**

1           (2) A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR  
2 INSTITUTION THAT RENDERS A TREATMENT, TRAINING, PRODUCT, SERVICE,  
3 OR ACCOMMODATION TO AN INJURED PERSON FOR AN ACCIDENTAL BODILY  
4 INJURY THAT IS AN EMERGENCY MEDICAL CONDITION OR RENDERING RELATED  
5 EMERGENCY CARE IS NOT ELIGIBLE FOR PAYMENT OR REIMBURSEMENT UNDER  
6 THIS CHAPTER OF MORE THAN 125% OF THE AMOUNT PAYABLE FOR THE  
7 TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION UNDER PART  
8 A, B, OR D OF THE FEDERAL MEDICARE PROGRAM ESTABLISHED UNDER  
9 SUBCHAPTER XVIII OF THE SOCIAL SECURITY ACT, 42 USC 1395 TO  
10 1395///. EXCEPT AS PROVIDED IN SUBSECTION (3), IN ALL OTHER  
11 CIRCUMSTANCES A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR  
12 INSTITUTION RENDERING A TREATMENT, PRODUCT, SERVICE, OR  
13 ACCOMMODATION TO AN INJURED PERSON FOR ACCIDENTAL BODILY INJURY  
14 COVERED BY PERSONAL PROTECTION INSURANCE, AND A PERSON OR  
15 INSTITUTION PROVIDING REHABILITATIVE OCCUPATIONAL TRAINING TO THE  
16 INJURED PERSON FOLLOWING THE INJURY, IS NOT ELIGIBLE FOR PAYMENT OR  
17 REIMBURSEMENT UNDER THIS CHAPTER FOR MORE THAN THE AMOUNT PAYABLE  
18 FOR THE TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION  
19 UNDER PART A, B, OR D OF THE FEDERAL MEDICARE PROGRAM ESTABLISHED  
20 UNDER SUBCHAPTER XVIII OF THE SOCIAL SECURITY ACT, 42 USC 1395 TO  
21 1395///. EVERY YEAR AFTER DECEMBER 31, 2020, THE DIRECTOR SHALL  
22 REVIEW ANY CHANGES TO AMOUNTS PAYABLE UNDER PART A, B, OR D OF THE  
23 FEDERAL MEDICARE PROGRAM ESTABLISHED UNDER SUBCHAPTER XVIII OF THE  
24 SOCIAL SECURITY ACT, 42 USC 1395 TO 1395///. IF THE DIRECTOR  
25 DETERMINES THAT THE CHANGES ARE REASONABLE AND APPROPRIATE FOR  
26 PURPOSES OF ASSURING AFFORDABLE AUTOMOBILE INSURANCE IN THIS STATE,  
27 THE CHANGES APPLY FOR PURPOSES OF THIS SUBSECTION AND THE DIRECTOR

1 SHALL ISSUE AN ORDER TO THAT EFFECT.

2 (3) IF PART A, B, OR D OF THE FEDERAL MEDICARE PROGRAM  
3 ESTABLISHED UNDER SUBCHAPTER XVIII OF THE SOCIAL SECURITY ACT, 42  
4 USC 1395 TO 1395III, DOES NOT PROVIDE AN AMOUNT PAYABLE FOR  
5 TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION RENDERED TO  
6 AN INJURED PERSON FOR ACCIDENTAL BODILY INJURY COVERED BY PERSONAL  
7 PROTECTION INSURANCE OR REHABILITATIVE OCCUPATIONAL TRAINING TO THE  
8 INJURED PERSON FOLLOWING THE INJURY, THE PHYSICIAN, HOSPITAL,  
9 CLINIC, OR OTHER PERSON OR INSTITUTION THAT RENDERS THE TREATMENT,  
10 PRODUCT, SERVICE, OR ACCOMMODATION IS NOT ELIGIBLE FOR PAYMENT OR  
11 REIMBURSEMENT UNDER THIS CHAPTER OF MORE THAN THE AVERAGE AMOUNT  
12 ACCEPTED BY THE PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR  
13 INSTITUTION AS PAYMENT OR REIMBURSEMENT IN FULL FOR THE TREATMENT,  
14 TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION DURING THE PRECEDING  
15 CALENDAR YEAR.

16 (4) BY RENDERING ANY TREATMENT, PRODUCTS, SERVICES, OR  
17 ACCOMMODATIONS TO 1 OR MORE INJURED PERSONS FOR AN ACCIDENTAL  
18 BODILY INJURY COVERED BY PERSONAL PROTECTION INSURANCE BENEFITS  
19 COVERAGE UNDER THIS CHAPTER AFTER THE EFFECTIVE DATE OF THE  
20 AMENDATORY ACT THAT ADDED THIS SUBSECTION, A PHYSICIAN, HOSPITAL,  
21 CLINIC, OR OTHER PERSON OR INSTITUTION IS CONSIDERED TO HAVE AGREED  
22 TO TIMELY SUBMIT TO AN INSURER, THE ASSOCIATION CREATED UNDER  
23 SECTION 3104, OR THE DEPARTMENT ALL INFORMATION RELATING TO A  
24 TREATMENT, PRODUCT, SERVICE, OR ACCOMMODATION PROVIDED TO AN  
25 INJURED PERSON FOR ACCIDENTAL BODILY INJURY COVERED BY PERSONAL  
26 PROTECTION INSURANCE AND RELATING TO AN AVERAGE AMOUNT ACCEPTED FOR  
27 THE TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION UNDER

1 SUBSECTION (3), INCLUDING, BUT NOT LIMITED TO, ALL OF THE  
2 FOLLOWING:

3 (A) DIAGNOSES.

4 (B) SCANS AND X-RAYS.

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

6 (D) PROGRESS, PSYCHIATRIC, OR OTHER NOTES.

7 (E) PATIENT HISTORY AND PHYSICAL REPORTS.

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

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

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

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

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

20 (5) A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR  
21 INSTITUTION THAT RENDERS A TREATMENT, PRODUCT, SERVICE, OR  
22 ACCOMMODATION TO AN INJURED PERSON FOR ACCIDENTAL BODILY INJURY  
23 COVERED BY PERSONAL PROTECTION INSURANCE, AND A PERSON OR  
24 INSTITUTION THAT PROVIDES REHABILITATIVE OCCUPATIONAL TRAINING TO  
25 THE INJURED PERSON FOLLOWING THE INJURY, IS NOT ELIGIBLE FOR  
26 PAYMENT OR REIMBURSEMENT UNDER THIS CHAPTER FOR ANY OF THE  
27 FOLLOWING:

1 (A) A REQUEST FOR PAYMENT FOR A TREATMENT, TRAINING, PRODUCT,  
2 SERVICE, OR ACCOMMODATION RENDERED IF THE REQUEST FOR PAYMENT IS  
3 BASED ON THE USE OF FALSE OR MISLEADING RECORDS OR INFORMATION.

4 (B) A TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION  
5 THAT IS NOT USUALLY ASSOCIATED WITH, IS MATERIALLY LONGER IN  
6 DURATION THAN, IS MATERIALLY MORE FREQUENT THAN, OR EXTENDS OVER A  
7 MATERIALLY GREATER NUMBER OF DAYS THAN THAT TREATMENT, TRAINING,  
8 PRODUCT, SERVICE, OR ACCOMMODATION USUALLY REQUIRED FOR A PATIENT  
9 WITH THE DIAGNOSIS OR CONDITION OF THE INJURED PERSON IF NO  
10 SPECIFIC WRITTEN JUSTIFICATION OF THE MEDICAL NECESSITY OF THAT  
11 TREATMENT, TRAINING, PRODUCT, SERVICE, OR ACCOMMODATION IS INCLUDED  
12 IN THE PATIENT RECORD FOR THE INJURED PERSON.

13 (C) A TREATMENT AS TO WHICH EVIDENCE PROVIDED TO THE  
14 PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON OR INSTITUTION THAT  
15 RENDERS THE TREATMENT, PRODUCT, SERVICE, OR ACCOMMODATION TO AN  
16 INJURED PERSON FOR ACCIDENTAL BODILY INJURY COVERED BY PERSONAL  
17 PROTECTION INSURANCE, OR TO THE PERSON OR INSTITUTION THAT PROVIDES  
18 REHABILITATIVE OCCUPATIONAL TRAINING TO THE INJURED PERSON,  
19 INDICATES THAT THE TREATMENT, PRODUCT, SERVICE, OR ACCOMMODATION  
20 WAS NOT MEDICALLY NECESSARY GIVEN THE PHYSICAL CAPABILITIES OF THE  
21 INJURED PERSON.

22 (6) IF A PERSON PAYS FOR OR REIMBURSES AN AMOUNT NOT  
23 AUTHORIZED UNDER SUBSECTION (5), THE PERSON MAY REQUEST A REFUND OF  
24 THE AMOUNT PAID. IF THE UNAUTHORIZED AMOUNT IS NOT REFUNDED WITHIN  
25 30 DAYS, INTEREST ON THE AMOUNT REFUNDABLE MUST BE PAID TO THE  
26 PERSON AT THE RATE OF 1% OF THE AMOUNT OF THE REFUND OWED PER  
27 MONTH. IN A PROCEEDING TO RECOVER MONEY OWED UNDER THIS SUBSECTION,

1 THE PERSON MAY RECOVER COURT COSTS AND ATTORNEY FEES INCURRED IN  
2 SEEKING PAYMENT OF THE MONEY OWED.

3 (7) IF AFTER A HEARING CONDUCTED UNDER RULES PROMULGATED UNDER  
4 THIS SUBSECTION THE DEPARTMENT DETERMINES THAT A PHYSICIAN,  
5 HOSPITAL, CLINIC, OR OTHER PERSON OR INSTITUTION THAT RENDERS A  
6 TREATMENT, PRODUCT, SERVICE, OR ACCOMMODATION TO AN INJURED PERSON  
7 FOR ACCIDENTAL BODILY INJURY COVERED BY PERSONAL PROTECTION  
8 INSURANCE, OR A PERSON OR INSTITUTION THAT PROVIDES REHABILITATIVE  
9 OCCUPATIONAL TRAINING TO THE INJURED PERSON FOLLOWING THE INJURY,  
10 HAS ENGAGED IN A PATTERN OR PRACTICE OF CONDUCT IN VIOLATION OF  
11 THIS SECTION, THE DEPARTMENT MAY PROHIBIT THE PHYSICIAN, HOSPITAL,  
12 CLINIC, OR OTHER PERSON OR INSTITUTION FROM CHARGING AND RECEIVING  
13 A PAYMENT FOR ANY TREATMENT, TRAINING, PRODUCT, SERVICE, OR  
14 ACCOMMODATION UNDER THIS CHAPTER FOR A PERIOD OF TIME AND ALSO MAY  
15 ORDER A REFUND OF AMOUNTS RECEIVED IN VIOLATION OF THIS SECTION.  
16 THE DEPARTMENT SHALL PROMULGATE RULES TO IMPLEMENT THIS SECTION  
17 UNDER THE ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL  
18 24.201 TO 24.328.

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

25 (A) SUBMIT NECESSARY RECORDS AND OTHER INFORMATION CONCERNING  
26 TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS PROVIDED FOR  
27 UTILIZATION REVIEW UNDER THIS SECTION.

1 (B) COMPLY WITH ANY DECISION OF THE DEPARTMENT UNDER THIS  
2 SECTION.

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

9 (3) THE DEPARTMENT SHALL PROMULGATE RULES UNDER THE  
10 ADMINISTRATIVE PROCEDURES ACT OF 1969, 1969 PA 306, MCL 24.201 TO  
11 24.328, TO DO BOTH OF THE FOLLOWING:

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

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

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

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

26 (iii) APPEALING DETERMINATIONS.

27 (4) IF A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON PROVIDES

1 TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS UNDER THIS CHAPTER  
2 THAT ARE NOT USUALLY ASSOCIATED WITH, ARE LONGER IN DURATION THAN,  
3 ARE MORE FREQUENT THAN, OR EXTEND OVER A GREATER NUMBER OF DAYS  
4 THAN THE TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS USUALLY  
5 REQUIRE FOR THE DIAGNOSIS OR CONDITION FOR WHICH THE PATIENT IS  
6 BEING TREATED, THE INSURER OR THE ASSOCIATION CREATED UNDER SECTION  
7 3104 MAY REQUIRE THE PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON  
8 TO EXPLAIN THE NECESSITY OR INDICATION FOR THE TREATMENT, PRODUCTS,  
9 SERVICES, OR ACCOMMODATIONS IN WRITING UNDER THE PROCEDURES  
10 PROVIDED UNDER SUBSECTION (3).

11 (5) IF AN INSURER OR THE ASSOCIATION CREATED UNDER SECTION  
12 3104 DETERMINES THAT A PHYSICIAN, HOSPITAL, CLINIC, OR OTHER PERSON  
13 IMPROPERLY OVERUTILIZED OR OTHERWISE RENDERED OR ORDERED  
14 INAPPROPRIATE TREATMENT, PRODUCTS, SERVICES, OR ACCOMMODATIONS, OR  
15 THAT THE COST OF THE TREATMENT, PRODUCTS, SERVICES, OR  
16 ACCOMMODATIONS WAS INAPPROPRIATE UNDER THIS CHAPTER, THE PHYSICIAN,  
17 HOSPITAL, CLINIC, OR OTHER PERSON MAY APPEAL THE DETERMINATION TO  
18 THE DEPARTMENT UNDER THE PROCEDURES PROVIDED UNDER SUBSECTION (3).

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

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

27 Sec. 3163. (1) An insurer authorized to transact automobile



1 liability insurance and personal and property protection insurance  
2 in this state shall file and maintain a written certification that  
3 any accidental bodily injury or property damage occurring in this  
4 state arising from the ownership, operation, maintenance, or use of  
5 a motor vehicle as a motor vehicle by an out-of-state resident who  
6 is insured under its automobile liability insurance policies, is  
7 subject to the personal and property protection insurance system  
8 under this act.

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

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

22 (4) If an insurer of an out-of-state resident is required to  
23 provide benefits under subsections (1) to (3) to ~~that~~ **AN** out-of-  
24 state resident for accidental bodily injury, ~~for an accident in~~  
25 ~~which the out-of-state resident was not an occupant of a motor~~  
26 ~~vehicle registered in this state,~~ the insurer is only liable for  
27 the amount of ultimate loss sustained up to \$500,000.00, **UNLESS THE**

1 COVERAGE LIMITS UNDER SECTION 3109A(2) (A) APPLY. IF THE COVERAGE  
2 LIMITS UNDER SECTION 3109A(2) (A) APPLY, THE INSURER IS ONLY LIABLE  
3 FOR THE AMOUNT OF ULTIMATE LOSS SUSTAINED UP TO THE COVERAGE LIMITS  
4 UNDER SECTION 3109A(2) (A). Benefits under this subsection are not  
5 recoverable to the extent that benefits covering the same loss are  
6 available from other sources, regardless of the nature or number of  
7 benefit sources available and regardless of the nature or form of  
8 the benefits.

9 SEC. 3180. (1) BY JUNE 30, 2018, AN INSURER THAT OFFERS  
10 AUTOMOBILE INSURANCE IN THIS STATE SHALL FILE PREMIUM RATES FOR  
11 PERSONAL PROTECTION INSURANCE COVERAGE THAT IS SUBJECT TO THE  
12 COVERAGE LIMITS UNDER SECTION 3109A(2) (A) OR (B) UNDER AN  
13 AUTOMOBILE INSURANCE POLICY EFFECTIVE AFTER JUNE 30, 2018 AND  
14 BEFORE JULY 1, 2019. THE PREMIUM RATES FILED, AND ANY SUBSEQUENT  
15 PREMIUM RATES FILED BY THE INSURER FOR PERSONAL PROTECTION  
16 INSURANCE COVERAGE THAT IS SUBJECT TO THE COVERAGE LIMITS UNDER  
17 SECTION 3109A(2) (A) OR (B) UNDER AN AUTOMOBILE INSURANCE POLICY  
18 EFFECTIVE BEFORE JULY 1, 2023, MUST REFLECT SAVINGS EXPECTED FROM  
19 THE PROVISIONS OF THE AMENDATORY ACT THAT ADDED THIS SECTION THAT  
20 AFFECT AUTOMOBILE INSURANCE POLICIES THAT ARE SUBJECT TO THE  
21 PERSONAL PROTECTION INSURANCE COVERAGE LIMITS UNDER SECTION  
22 3109A(2) (A) OR (B), CONSISTENT WITH THE REQUIREMENTS OF SECTIONS  
23 2109 TO 2111A.

24 (2) IF PREMIUM RATES FILED BY AN INSURER UNDER SUBSECTION (1)  
25 FOR PERSONAL PROTECTION INSURANCE COVERAGE THAT IS SUBJECT TO THE  
26 COVERAGE LIMITS UNDER SECTION 3109A(2) (A) DO NOT RESULT IN AN  
27 AVERAGE 40% REDUCTION PER VEHICLE FROM THE PREMIUM RATES FOR

1 PERSONAL PROTECTION INSURANCE COVERAGE THAT WERE IN EFFECT FOR THE  
2 INSURER ON OCTOBER 1, 2017, THE INSURER SHALL INCLUDE WITH THE  
3 FILING BOTH OF THE FOLLOWING:

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

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

13 (i) EXPECTED LOSSES OF THE INSURER.

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

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

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

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

25 (B) THAT THE FAILURE TO ACHIEVE THE REDUCTION IS NOT JUSTIFIED  
26 USING GENERALLY ACCEPTED AND REASONABLE ACTUARIAL TECHNIQUES  
27 BECAUSE OF 1 OR MORE OF THE FACTORS LISTED IN SUBSECTION (2) (B).

1 (4) IF THE DIRECTOR DISAPPROVES A FILING UNDER SUBSECTION (3) ,  
2 THE DIRECTOR SHALL DO BOTH OF THE FOLLOWING:

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

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

9 (5) IF THE DIRECTOR DISAPPROVES A FILING UNDER SUBSECTION (3) ,  
10 THE INSURER SHALL SUBMIT A REVISED FILING TO THE DIRECTOR WITHIN 15  
11 DAYS OF THE DISAPPROVAL THAT COMPLIES WITH THE DIRECTOR'S  
12 DETERMINATION UNDER SUBSECTION (4) (A) . THE FILING IS SUBJECT TO  
13 REVIEW IN THE SAME MANNER AS AN ORIGINAL FILING UNDER SUBSECTION  
14 (3) .

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

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

26 (8) FOR PURPOSES OF CALCULATING A PERSONAL PROTECTION  
27 INSURANCE PREMIUM OR PREMIUM RATE UNDER THIS SECTION, THE PREMIUM

1 **INCLUDES THE CATASTROPHIC CLAIMS ASSESSMENT IMPOSED UNDER SECTION**  
2 **3104.**

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

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

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

11 **(C) PROVIDING FUNDING FOR THE MICHIGAN AUTOMOBILE INSURANCE**  
12 **FRAUD AUTHORITY CREATED UNDER SECTION 6302.**

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

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

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

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

23 (c) To assess participating members on the basis of  
24 participation ratios ~~pursuant to section 3303~~ to cover anticipated  
25 costs of operation and administration of the facility, to provide  
26 for equitable servicing fees, and to share losses, profits, and  
27 expenses pursuant to the plan of operation.

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

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

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

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

18 (h) To assess self-insurers and insurers consistent with  
19 chapter 31 and the assigned claims plan approved under section  
20 3171.

21 (2) The board of governors shall institute or cause to be  
22 instituted by the facility or on its behalf an automatic data  
23 processing system for recording and compiling data ~~relative~~**THAT**  
24 **RELATES** to individuals insured through the facility. An automatic  
25 data processing system established under this subsection shall, to  
26 the greatest extent possible, be made compatible with the automatic  
27 data processing system maintained by the secretary of state, to

1 provide for the identification and review of individuals insured  
2 through the facility.

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

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

15           Sec. 4501. As used in this chapter:

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

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

26           (c) "Insurance policy" or "policy" means an insurance policy,  
27 benefit contract of a self-funded plan, health maintenance

1 organization contract, nonprofit dental care corporation  
2 certificate, or health care corporation certificate.

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

8 (E) **"MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY" MEANS THE**  
9 **MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY CREATED UNDER SECTION**  
10 **6302.**

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

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

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

26 (I) ~~(h)~~-"Runner", "capper", or "steerer" means a person who  
27 receives a pecuniary or other benefit from a practitioner, whether



1 directly or indirectly, for procuring or attempting to procure a  
 2 client, patient, or customer at the direction or request of, or in  
 3 cooperation with, a practitioner whose intent is to obtain benefits  
 4 under a contract of insurance or to assert a claim against an  
 5 insured or an insurer for providing services to the client,  
 6 patient, or customer. Runner, capper, or steerer does not include a  
 7 practitioner who procures clients, patients, or customers through  
 8 the use of public media.

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

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

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

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

26 ~~—(b) Prepares or assists, abets, solicits, or conspires with~~  
 27 ~~another to prepare or make an oral or written statement that is~~

1 ~~intended to be presented to or by any insurer in connection with,~~  
2 ~~or in support of, any application for the issuance of an insurance~~  
3 ~~policy, knowing that the statement contains any false information~~  
4 ~~concerning any fact or thing material to the application.~~

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

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

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

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

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

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

18 **(viii) THE ISSUANCE OF WRITTEN EVIDENCE OF INSURANCE.**

19 **(ix) THE REINSTATEMENT OF AN INSURANCE POLICY.**

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

1 claim **FOR PAYMENT OR OTHER BENEFIT.**

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

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

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

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

23 (i) The transaction of insurance or reinsurance.

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

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

27 (F) ~~(h)~~ Employs, uses, or acts as a runner, capper, or steerer

1 with the intent to falsely or fraudulently obtain benefits under a  
2 contract of insurance or to falsely or fraudulently assert a claim  
3 against an insured or an insurer for providing services to the  
4 client, patient, or customer.

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

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

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

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

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

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

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

1 BY, THE DIRECTOR.

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

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

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

15 CHAPTER 63

16 AUTOMOBILE INSURANCE FRAUD AUTHORITY

17 SEC. 6301. AS USED IN THIS CHAPTER:

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

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

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

25 (D) "CAR YEARS" MEANS NET DIRECT PRIVATE PASSENGER AND  
26 COMMERCIAL NONFLEET VEHICLE YEARS OF INSURANCE PROVIDING THE  
27 SECURITY REQUIRED BY SECTION 3101(1) OR 3103(1) WRITTEN IN THIS

1 STATE FOR THE SECOND PREVIOUS CALENDAR YEAR AS REPORTED TO THE  
2 STATISTICAL AGENT OF EACH INSURER.

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

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

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

14 (3) THE AUTHORITY SHALL DO ALL OF THE FOLLOWING:

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

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

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

23 (4) THE AUTHORITY MAY PROVIDE FINANCIAL SUPPORT TO LAW  
24 ENFORCEMENT, PROSECUTORIAL, INSURANCE, EDUCATION, OR TRAINING  
25 ASSOCIATIONS FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF  
26 AUTOMOBILE INSURANCE FRAUD, INCLUDING, BUT NOT LIMITED TO,  
27 FINANCIAL SUPPORT FOR AN ACTIVE FRAUD PREVENTION PROGRAM WITHIN THE

1 CITY IN THIS STATE WITH THE LARGEST POPULATION AND JOINT FRAUD  
2 PREVENTION TASK FORCES THAT INCLUDE LOCAL, STATE, AND FEDERAL LAW  
3 ENFORCEMENT AND PROSECUTORIAL OFFICIALS AND AGENCIES.

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

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

9 (i) AT LEAST 2 MEMBERS MUST REPRESENT INSURER GROUPS WITH  
10 350,000 OR MORE CAR YEARS.

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

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

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

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

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

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

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

26 (G) ONE MEMBER OF THE GENERAL PUBLIC.

27 (6) AUTOMOBILE INSURERS THAT ARE AUTHORIZED TO DO BUSINESS IN

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

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

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

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

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

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



1 MEMBERS REPRESENTING INSURERS, THE MEMBER REPRESENTING PROSECUTING  
2 ATTORNEYS, AND THE MEMBER OF THE GENERAL PUBLIC SHALL SERVE FOR A  
3 TERM OF 3 YEARS, AND 3 MEMBERS REPRESENTING INSURERS, 1 MEMBER  
4 REPRESENTING LAW ENFORCEMENT AGENCIES, AND THE MEMBER APPOINTED  
5 UNDER SUBSECTION (5) (E) SHALL SERVE FOR A TERM OF 4 YEARS.

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

9 (2) THE BOARD SHALL SELECT A CHAIRPERSON FROM AMONG ITS  
10 MEMBERS. A MAJORITY OF THE MEMBERS OF THE BOARD CONSTITUTE A QUORUM  
11 FOR THE TRANSACTION OF BUSINESS AT A MEETING OR THE EXERCISE OF A  
12 POWER OR FUNCTION OF THE AUTHORITY, NOTWITHSTANDING THE EXISTENCE  
13 OF 1 OR MORE VACANCIES. NOTWITHSTANDING ANY OTHER PROVISION OF LAW,  
14 ACTION MAY BE TAKEN BY THE AUTHORITY AT A MEETING ON A VOTE OF THE  
15 MAJORITY OF ITS MEMBERS PRESENT IN PERSON OR THROUGH THE USE OF  
16 AMPLIFIED TELEPHONIC EQUIPMENT, IF AUTHORIZED BY THE BYLAWS OR PLAN  
17 OF OPERATION OF THE BOARD. THE AUTHORITY SHALL MEET AT THE CALL OF  
18 THE CHAIR OR AS MAY BE PROVIDED IN THE BYLAWS OF THE AUTHORITY.  
19 MEETINGS OF THE AUTHORITY MAY BE HELD ANYWHERE IN THIS STATE.

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

23 (4) THE BOARD SHALL CONDUCT ITS BUSINESS AT MEETINGS THAT ARE  
24 HELD IN THIS STATE, OPEN TO THE PUBLIC, AND HELD IN A PLACE THAT IS  
25 AVAILABLE TO THE GENERAL PUBLIC. HOWEVER, THE BOARD MAY ESTABLISH  
26 REASONABLE RULES TO MINIMIZE DISRUPTION OF A MEETING OF THE BOARD.  
27 AT LEAST 10 DAYS BUT NOT MORE THAN 60 DAYS BEFORE A MEETING, THE

1 BOARD SHALL PROVIDE PUBLIC NOTICE OF THE MEETING AT THE BOARD'S  
2 PRINCIPAL OFFICE AND ON A PUBLICLY ACCESSIBLE INTERNET WEBSITE. THE  
3 BOARD SHALL INCLUDE IN THE PUBLIC NOTICE OF ITS MEETING THE ADDRESS  
4 WHERE MINUTES OF THE BOARD MAY BE INSPECTED BY THE PUBLIC. THE  
5 BOARD MAY MEET IN A CLOSED SESSION FOR ANY OF THE FOLLOWING  
6 PURPOSES:

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

10 (B) TO CONSULT WITH ITS ATTORNEY.

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

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

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

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

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

27 (C) BOARD DECISIONS MADE DURING ANY PORTION OF THE MEETING

1 THAT WAS OPEN TO THE PUBLIC.

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

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

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

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

11 (C) MAKE GRANTS AND INVESTMENTS.

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

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

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

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

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

26 SEC. 6305. (1) THE BOARD MAY EXAMINE IN PERSON, BY WRITING,  
27 AND, IF APPROPRIATE, UNDER OATH ALL PERSONS CONSIDERED BY THE BOARD

1 TO HAVE MATERIAL INFORMATION REGARDING AUTOMOBILE INSURANCE FRAUD.  
2 THE BOARD MAY COMPEL THE ATTENDANCE AND TESTIMONY OF WITNESSES AND  
3 THE PRODUCTION OF ANY BOOKS, ACCOUNTS, PAPERS, RECORDS, DOCUMENTS,  
4 AND FILES RELATING TO AUTOMOBILE INSURANCE FRAUD, AND MAY AUTHORIZE  
5 SUBPOENAS, THE ADMINISTRATION OF OATHS AND AFFIRMATIONS, AND THE  
6 EXAMINATION OF WITNESSES, AND MAY RECEIVE EVIDENCE FOR THIS  
7 PURPOSE. THE BOARD MAY REQUEST THE INGHAM COUNTY CIRCUIT COURT TO  
8 ISSUE AN ORDER REQUIRING COMPLIANCE WITH AN ORDER OR SUBPOENA OF  
9 THE BOARD UNDER THIS SUBSECTION.

10 (2) THIS CHAPTER DOES NOT PREEMPT THE AUTHORITY OR RELIEVE THE  
11 DUTY OF OTHER AUTHORIZED GOVERNMENTAL OFFICERS OR ENTITIES TO  
12 INVESTIGATE, EXAMINE, AND PROSECUTE SUSPECTED VIOLATIONS OF LAW.

13 SEC. 6306. (1) AN INSURER OR SELF-INSURER ENGAGED IN WRITING  
14 INSURANCE COVERAGES THAT PROVIDE THE SECURITY REQUIRED BY SECTION  
15 3101(1) AND 3103(1) IN THIS STATE SHALL PAY TO THE FACILITY ANY  
16 ASSESSMENT IMPOSED UNDER SECTION 3330(3) FOR DEPOSIT INTO THE  
17 ACCOUNT OF THE AUTHORITY TO BE USED BY THE AUTHORITY TO CARRY OUT  
18 ITS DUTIES UNDER THIS CHAPTER.

19 (2) THE FACILITY SHALL SEGREGATE ALL MONEY RECEIVED UNDER  
20 SUBSECTION (1), AND ALL OTHER MONEY RECEIVED BY THE AUTHORITY FOR  
21 THE PURPOSE, FROM OTHER MONEY OF THE FACILITY, IF APPLICABLE. THE  
22 FACILITY SHALL ONLY EXPEND THE MONEY RECEIVED UNDER SUBSECTION (1)  
23 AS DIRECTED BY THE BOARD.

24 SEC. 6307. (1) AN INSURER AUTHORIZED TO TRANSACT AUTOMOBILE  
25 INSURANCE IN THIS STATE, AS A CONDITION OF ITS AUTHORITY TO  
26 TRANSACT INSURANCE IN THIS STATE, SHALL REPORT AUTOMOBILE INSURANCE  
27 FRAUD DATA TO THE AUTHORITY USING THE FORMAT AND PROCEDURES ADOPTED

1 BY THE BOARD.

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

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

11 SEC. 6308. (1) BEGINNING JANUARY 1, 2019, THE AUTHORITY SHALL  
12 PREPARE AND PUBLISH AN ANNUAL FINANCIAL REPORT, AND BEGINNING JULY  
13 1, 2019, THE AUTHORITY SHALL PREPARE AND PUBLISH AN ANNUAL REPORT  
14 TO THE LEGISLATURE ON THE AUTHORITY'S EFFORTS TO PREVENT AUTOMOBILE  
15 INSURANCE FRAUD AND COST SAVINGS THAT HAVE RESULTED FROM THOSE  
16 EFFORTS.

17 (2) THE ANNUAL REPORT TO THE LEGISLATURE REQUIRED UNDER  
18 SUBSECTION (1) MUST DETAIL THE AUTOMOBILE INSURANCE FRAUD OCCURRING  
19 IN THIS STATE FOR THE PREVIOUS YEAR, ASSESS THE IMPACT OF THE FRAUD  
20 ON RATES CHARGED FOR AUTOMOBILE INSURANCE, SUMMARIZE PREVENTION  
21 PROGRAMS, AND OUTLINE ALLOCATIONS MADE BY THE AUTHORITY. THE  
22 MEMBERS OF THE BOARD, INSURERS, AND THE DIRECTOR SHALL COOPERATE IN  
23 DEVELOPING THE REPORT AS REQUESTED BY THE AUTHORITY AND SHALL MAKE  
24 AVAILABLE TO THE AUTHORITY RECORDS AND STATISTICS CONCERNING  
25 AUTOMOBILE INSURANCE FRAUD, INCLUDING THE NUMBER OF INSTANCES OF  
26 SUSPECTED AND CONFIRMED INSURANCE FRAUD, NUMBER OF PROSECUTIONS AND  
27 CONVICTIONS INVOLVING AUTOMOBILE INSURANCE FRAUD, AUTOMOBILE

1 INSURANCE FRAUD RECIDIVISM, WRONGFUL OR FRAUDULENT SOLICITATION OF  
2 CLIENTS BY ATTORNEYS IN MATTERS RELATING TO AUTOMOBILE INSURANCE,  
3 AND FRAUD RELATED TO MEDICAL SERVICES NOT REASONABLY NECESSARY OR  
4 OTHERWISE EXCESSIVE. THE AUTHORITY SHALL EVALUATE THE IMPACT  
5 AUTOMOBILE INSURANCE FRAUD HAS ON THE CITIZENS OF THIS STATE AND  
6 THE COSTS INCURRED BY THE CITIZENS THROUGH INSURANCE, POLICE  
7 ENFORCEMENT, PROSECUTION, AND INCARCERATION BECAUSE OF AUTOMOBILE  
8 INSURANCE FRAUD. THE AUTHORITY SHALL SUBMIT THE REPORT TO THE  
9 LEGISLATURE REQUIRED BY THIS SECTION TO THE SENATE AND HOUSE OF  
10 REPRESENTATIVES STANDING COMMITTEES WITH PRIMARY JURISDICTION OVER  
11 INSURANCE ISSUES AND TO THE DIRECTOR.