

SENATE BILL No. 1278

April 29, 2008, Introduced by Senator SANBORN and referred to the Committee on Economic Development and Regulatory Reform.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending sections 2111, 3101, 3104, 3107, 3114, 3115, 3163, and
3172 (MCL 500.2111, 500.3101, 500.3104, 500.3107, 500.3114,
500.3115, 500.3163, and 500.3172), section 2111 as amended by 2002
PA 492, section 3101 as amended by 1988 PA 126, section 3104 as
amended by 2002 PA 662, section 3107 as amended by 1991 PA 191,
section 3114 as amended by 2002 PA 38, section 3163 as amended by
2002 PA 697, and section 3172 as amended by 1984 PA 426.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2111. (1) Notwithstanding any provision of this act and
2 this chapter to the contrary, classifications and territorial base

1 rates used by any insurer in this state with respect to automobile
2 insurance or home insurance shall conform to the applicable
3 requirements of this section.

4 (2) Classifications established pursuant to this section for
5 automobile insurance shall be based only upon 1 or more of the
6 following factors, which shall be applied by an insurer on a
7 uniform basis throughout the state:

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

9 (i) Either the age of the driver; the length of driving
10 experience; or the number of years licensed to operate a motor
11 vehicle.

12 (ii) Driver primacy, based upon the proportionate use of each
13 vehicle insured under the policy by individual drivers insured or
14 to be insured under the policy.

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

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

17 (v) Vehicle characteristics, features, and options, such as
18 engine displacement, ability of vehicle and its equipment to
19 protect passengers from injury and other similar items, including
20 vehicle make and model.

21 (vi) Daily or weekly commuting mileage.

22 (vii) Number of cars insured by the insurer or number of
23 licensed operators in the household. However, number of licensed
24 operators shall not be used as an indirect measure of marital
25 status.

26 (viii) Amount of insurance.

27 (b) In addition to the factors prescribed in subdivision (a),

1 with respect to personal protection insurance coverage:

2 (i) Earned income.

3 (ii) Number of dependents of income earners insured under the
4 policy.

5 (iii) Coordination of benefits.

6 (iv) Use of a safety belt.

7 (v) **AMOUNT OF INSURANCE.**

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

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

14 (ii) Vehicle make and model.

15 (iii) Vehicle design characteristics related to vehicle
16 damageability.

17 (iv) Vehicle characteristics relating to automobile theft
18 prevention devices.

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

23 (i) The course shall include a minimum of 8 hours of classroom
24 instruction.

25 (ii) The course shall include, but not be limited to, a review
26 of all of the following:

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

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

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

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

4 (E) Accident prevention measures.

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

6 (G) Major driving hazards.

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

9 (3) Each insurer shall establish a secondary or merit rating
10 plan for automobile insurance, other than comprehensive coverage. A
11 secondary or merit rating plan required under this subsection shall
12 provide for premium surcharges for any or all coverages for
13 automobile insurance, other than comprehensive coverage, based upon
14 any or all of the following, when that information becomes
15 available to the insurer:

16 (a) Substantially at-fault accidents.

17 (b) Convictions for, determinations of responsibility for
18 civil infractions for, or findings of responsibility in probate
19 court for civil infractions for, violations under chapter VI of the
20 Michigan vehicle code, 1949 PA 300, MCL 257.601 to 257.750.

21 However, beginning ~~90 days after the effective date of this~~
22 ~~sentence~~ **MAY 28, 1996**, an insured shall not be merit rated for a
23 civil infraction under chapter VI of the Michigan vehicle code,
24 1949 PA 300, MCL 257.601 to 257.750, for a period of time longer
25 than that which the secretary of state's office carries points for
26 that infraction on the insured's motor vehicle record.

27 (4) An insurer shall not establish or maintain rates or rating

1 classifications for automobile insurance based upon sex or marital
2 status.

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

5 (6) This section shall not be construed as limiting insurers
6 or rating organizations from establishing and maintaining
7 statistical reporting territories. This section shall not be
8 construed to prohibit an insurer from establishing or maintaining,
9 for automobile insurance, a premium discount plan for senior
10 citizens in this state who are 65 years of age or older, if the
11 plan is uniformly applied by the insurer throughout this state. If
12 an insurer has not established and maintained a premium discount
13 plan for senior citizens, the insurer shall offer reduced premium
14 rates to senior citizens in this state who are 65 years of age or
15 older and who drive less than 3,000 miles per year, regardless of
16 statistical data.

17 (7) Classifications established pursuant to this section for
18 home insurance other than inland marine insurance provided by
19 policy floaters or endorsements shall be based only upon 1 or more
20 of the following factors:

21 (a) Amount and types of coverage.

22 (b) Security and safety devices, including locks, smoke
23 detectors, and similar, related devices.

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

25 (d) Fire protection class.

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

1 (f) Loss experience of the insured, based upon prior claims
2 attributable to factors under the control of the insured that have
3 been paid by an insurer. An insured's failure, after written notice
4 from the insurer, to correct a physical condition that presents a
5 risk of repeated loss shall be considered a factor under the
6 control of the insured for purposes of this subdivision.

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

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

9 (i) Availability of law enforcement or crime prevention
10 services.

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

13 (9) An insurer may utilize factors in addition to those
14 specified in this section, if the commissioner finds, after a
15 hearing held pursuant to the administrative procedures act of 1969,
16 1969 PA 306, MCL 24.201 to 24.328, that the factors would encourage
17 innovation, would encourage insureds to minimize the risks of loss
18 from hazards insured against, and would be consistent with the
19 purposes of this chapter.

20 Sec. 3101. (1) The owner or registrant of a motor vehicle
21 required to be registered in this state shall maintain security for
22 payment of benefits under personal protection insurance ~~—IN AN~~
23 **AMOUNT NOT LESS THAN THAT REQUIRED UNDER SECTION 3107(1)(A)(i) AND**
24 property protection insurance ~~—and~~ residual liability insurance **IN**
25 **AN AMOUNT NOT LESS THAN THAT REQUIRED UNDER SECTION 3009.** Security
26 shall only be required to be in effect during the period the motor
27 vehicle is driven or moved upon a highway. Notwithstanding any

1 other provision in this act, an insurer that has issued an
2 automobile insurance policy on a motor vehicle that is not driven
3 or moved upon a highway may allow the insured owner or registrant
4 of the motor vehicle to delete a portion of the coverages under the
5 policy and maintain the comprehensive coverage portion of the
6 policy in effect.

7 (2) As used in this chapter:

8 (a) "Automobile insurance" means that term as defined in
9 section 2102.

10 (b) "Highway" means that term as defined in section 20 of the
11 Michigan vehicle code, ~~Act No. 300 of the Public Acts of 1949,~~
12 ~~being section 257.20 of the Michigan Compiled Laws 1949 PA 300, MCL~~
13 **257.20.**

14 (c) "Motorcycle" means a vehicle having a saddle or seat for
15 the use of the rider, designed to travel on not more than 3 wheels
16 in contact with the ground, which is equipped with a motor that
17 exceeds 50 cubic centimeters piston displacement. The wheels on any
18 attachment to the vehicle shall not be considered as wheels in
19 contact with the ground. Motorcycle does not include a moped, as
20 defined in section 32b of the Michigan vehicle code, ~~Act No. 300 of~~
21 ~~the Public Acts of 1949, being section 257.32b of the Michigan~~
22 ~~Compiled Laws 1949 PA 300, MCL 257.32B.~~

23 (d) "Motorcycle accident" means a loss involving the
24 ownership, operation, maintenance, or use of a motorcycle as a
25 motorcycle, but not involving the ownership, operation,
26 maintenance, or use of a motor vehicle as a motor vehicle.

27 (e) "Motor vehicle" means a vehicle, including a trailer,

1 operated or designed for operation upon a public highway by power
2 other than muscular power which has more than 2 wheels. Motor
3 vehicle does not include a motorcycle or a moped, as defined in
4 section 32b of ~~Act No. 300 of the Public Acts of 1949, being~~
5 ~~section 257.32b of the Michigan Compiled Laws~~ **THE MICHIGAN VEHICLE**
6 **CODE, 1949 PA 300, MCL 257.32B.** Motor vehicle does not include a
7 farm tractor or other implement of husbandry ~~which~~ **THAT** is not
8 subject to the registration requirements of the Michigan vehicle
9 code pursuant to section 216 of the Michigan vehicle code, ~~Act No.~~
10 ~~300 of the Public Acts of 1949, being section 257.216 of the~~
11 ~~Michigan Compiled Laws~~ **1949 PA 300, MCL 257.216.**

12 (f) "Motor vehicle accident" means a loss involving the
13 ownership, operation, maintenance, or use of a motor vehicle as a
14 motor vehicle regardless of whether the accident also involves the
15 ownership, operation, maintenance, or use of a motorcycle as a
16 motorcycle.

17 (g) "Owner" means any of the following:

18 (i) A person renting a motor vehicle or having the use thereof,
19 under a lease or otherwise, for a period that is greater than 30
20 days.

21 (ii) A person who holds the legal title to a vehicle, other
22 than a person engaged in the business of leasing motor vehicles who
23 is the lessor of a motor vehicle pursuant to a lease providing for
24 the use of the motor vehicle by the lessee for a period that is
25 greater than 30 days.

26 (iii) A person who has the immediate right of possession of a
27 motor vehicle under an installment sale contract.

1 (h) "Registrant" does not include a person engaged in the
2 business of leasing motor vehicles who is the lessor of a motor
3 vehicle pursuant to a lease providing for the use of the motor
4 vehicle by the lessee for a period that is greater than 30 days.

5 (3) Security may be provided under a policy issued by an
6 insurer duly authorized to transact business in this state ~~which~~
7 **THAT** affords insurance for the payment of benefits described in
8 subsection (1). A policy of insurance represented or sold as
9 providing security ~~shall be deemed~~ **IS CONSIDERED** to provide
10 insurance for the payment of the benefits.

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

21 Sec. 3104. (1) An unincorporated, nonprofit association to be
22 known as the catastrophic claims association, hereinafter referred
23 to as the association, is created. Each insurer engaged in writing
24 insurance coverages that provide the security required by section
25 3101(1) within this state, as a condition of its authority to
26 transact insurance in this state, shall be a member of the
27 association and shall be bound by the plan of operation of the

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

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

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

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

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

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

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

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

27 (g) For a motor vehicle accident policy issued or renewed

1 during the period July 1, 2007 to June 30, 2008, \$420,000.00.

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

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

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

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

10 Beginning July 1, 2013, this \$500,000.00 amount shall be increased
11 biennially on July 1 of each odd-numbered year, for policies issued
12 or renewed before July 1 of the following odd-numbered year, by the
13 lesser of 6% or the consumer price index, and rounded to the
14 nearest \$5,000.00. This biennial adjustment shall be calculated by
15 the association by January 1 of the year of its July 1 effective
16 date.

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

20 (4) An insurer whose membership in the association has been
21 terminated by withdrawal shall continue to be bound by the plan of
22 operation, and upon withdrawal, all unpaid premiums that have been
23 charged to the withdrawing member are payable as of the effective
24 date of the withdrawal.

25 (5) An unsatisfied net liability to the association of an
26 insolvent member shall be assumed by and apportioned among the
27 remaining members of the association as provided in the plan of

1 operation. The association has all rights allowed by law on behalf
2 of the remaining members against the estate or funds of the
3 insolvent member for sums due the association.

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

9 (7) The association shall do all of the following on behalf of
10 the members of the association:

11 (a) Assume 100% of all liability as provided in subsection
12 (2).

13 (b) Establish procedures by which members shall promptly
14 report to the association each claim that, on the basis of the
15 injuries or damages sustained, may reasonably be anticipated to
16 involve the association if the member is ultimately held legally
17 liable for the injuries or damages. Solely for the purpose of
18 reporting claims, the member shall in all instances consider itself
19 legally liable for the injuries or damages. The member shall also
20 advise the association of subsequent developments likely to
21 materially affect the interest of the association in the claim.

22 (c) Maintain relevant loss and expense data relative to all
23 liabilities of the association and require each member to furnish
24 statistics, in connection with liabilities of the association, at
25 the times and in the form and detail as may be required by the plan
26 of operation.

27 (d) In a manner provided for in the plan of operation,

1 calculate and charge to members of the association a total premium
2 sufficient to cover the expected losses and expenses of the
3 association that the association will likely incur during the
4 period for which the premium is applicable. The premium shall
5 include an amount to cover incurred but not reported losses for the
6 period and may be adjusted for any excess or deficient premiums
7 from previous periods. Excesses or deficiencies from previous
8 periods may be fully adjusted in a single period or may be adjusted
9 over several periods in a manner provided for in the plan of
10 operation. Each member shall be charged an amount equal to that
11 member's total written car years of insurance providing the
12 security required by section 3101(1) or 3103(1), or both, written
13 in this state during the period to which the premium applies,
14 multiplied by the average premium per car **AND ADJUSTED TO REFLECT**
15 **THE AMOUNT OF COVERAGE SELECTED BY EACH MEMBER'S INSURED UNDER**
16 **SECTION 3107**. The average premium per car shall be the total
17 premium calculated divided by the total written car years of
18 insurance providing the security required by section 3101(1) or
19 3103(1) written in this state of all members during the period to
20 which the premium applies. A member shall be charged a premium for
21 a historic vehicle that is insured with the member of 20% of the
22 premium charged for a car insured with the member. As used in this
23 subdivision:

24 (i) "Car" includes a motorcycle but does not include a historic
25 vehicle.

26 (ii) "Historic vehicle" means a vehicle that is a registered
27 historic vehicle under section 803a or 803p of the Michigan vehicle

1 code, 1949 PA 300, MCL 257.803a and 257.803p.

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

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

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

9 (f) Receive and distribute all sums required by the operation
10 of the association.

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

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

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

1 (b) Reinsure all or any portion of its potential liability
2 with reinsurers licensed to transact insurance in this state or
3 approved by the commissioner.

4 (c) Provide for appropriate housing, equipment, and personnel
5 as may be necessary to assure the efficient operation of the
6 association.

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

12 (e) Contract for goods and services, including independent
13 claims management, actuarial, investment, and legal services, from
14 others within or without this state to assure the efficient
15 operation of the association.

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

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

22 (9) A board of directors is created, hereinafter referred to
23 as the board, which shall be responsible for the operation of the
24 association consistent with the plan of operation and this section.

25 (10) The plan of operation shall provide for all of the
26 following:

27 (a) The establishment of necessary facilities.

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

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

4 (d) Procedures governing the actual payment of premiums to the
5 association.

6 (e) Reimbursement of each member of the board by the
7 association for actual and necessary expenses incurred on
8 association business.

9 (f) The investment policy of the association.

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

12 (11) Each board shall include members that would contribute a
13 total of not less than 40% of the total premium calculated pursuant
14 to subsection (7)(d). Each director shall be entitled to 1 vote.
15 The initial term of office of a director shall be 2 years.

16 (12) As part of the plan of operation, the board shall adopt
17 rules providing for the composition and term of successor boards to
18 the initial board, consistent with the membership composition
19 requirements in subsections (11) and (13). Terms of the directors
20 shall be staggered so that the terms of all the directors do not
21 expire at the same time and so that a director does not serve a
22 term of more than 4 years.

23 (13) The board shall consist of 5 directors, and the
24 commissioner shall be an ex officio member of the board without
25 vote.

26 (14) Each director shall be appointed by the commissioner and
27 shall serve until that member's successor is selected and

1 qualified. The chairperson of the board shall be elected by the
2 board. A vacancy on the board shall be filled by the commissioner
3 consistent with the plan of operation.

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

9 (16) An annual report of the operations of the association in
10 a form and detail as may be determined by the board shall be
11 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 (19) The proposed plan of operation or amendments to the plan
8 of operation are subject to majority approval by the board,
9 ratified by a majority of the membership having a vote, with voting
10 rights being apportioned according to the premiums charged in
11 subsection (7)(d) and are subject to approval by the commissioner.

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

19 (21) The association is subject to all the reporting, loss
20 reserve, and investment requirements of the commissioner to the
21 same extent as would a member of the association.

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

25 (23) The commissioner or an authorized representative of the
26 commissioner may visit the association at any time and examine any
27 and all the association's affairs.

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

3 (25) As used in this section:

4 (a) "Consumer price index" means the percentage of change in
5 the consumer price index for all urban consumers in the United
6 States city average for all items for the 24 months prior to
7 October 1 of the year prior to the July 1 effective date of the
8 biennial adjustment under subsection (2)(k) as reported by the
9 United States department of labor, bureau of labor statistics, and
10 as certified by the commissioner.

11 (b) "Motor vehicle accident policy" means a policy providing
12 the coverages required under section 3101(1).

13 (c) "Ultimate loss" means the actual loss amounts that a
14 member is obligated to pay and that are paid or payable by the
15 member, and do not include claim expenses. An ultimate loss is
16 incurred by the association on the date that the loss occurs.

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

20 (a) Allowable expenses ~~consisting of all reasonable charges~~
21 **THAT ARE AS PROVIDED IN SUBPARAGRAPHS (i), (ii), (iii), (iv), (v), AND**
22 **(vi)** incurred for reasonably necessary products, services, and
23 accommodations for an injured person's care, recovery, or
24 rehabilitation. ~~Allowable expenses within personal protection~~
25 ~~insurance coverage shall not include charges for a hospital room in~~
26 ~~excess of a reasonable and customary charge for semiprivate~~
27 ~~accommodations except if the injured person requires special or~~

~~intensive care, or for funeral and burial expenses in the amount
set forth in the policy which shall not be less than \$1,750.00 or
more than \$5,000.00.~~ ANY CHANGE IN A LIMIT SELECTED UNDER

SUBPARAGRAPH (i), (ii), (iii), (iv), (v), OR (vi) APPLIES ONLY TO
BENEFITS ARISING OUT OF ACCIDENTS OCCURRING AFTER THE DATE OF THE
CHANGE IN THE LIMIT. AN INSURER SHALL REQUIRE THE SAME PERSONAL
PROTECTION COVERAGE LIMITS UNDER THIS SUBDIVISION FOR ALL MOTOR
VEHICLES INSURED UNDER THE SAME POLICY. AN INSURER SHALL PROVIDE
THE FOLLOWING COVERAGES, AND AN INSURED SHALL SELECT 1 OF THE
FOLLOWING COVERAGES WHICH SHALL APPLY TO THE INSURED NAMED IN THE
POLICY, THE INSURED'S SPOUSE, AND ANY RELATIVE OF EITHER DOMICILED
IN THE SAME HOUSEHOLD:

(i) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
REASONABLE CHARGES INCURRED UP TO A MAXIMUM OF \$50,000.00 FOR
REASONABLY NECESSARY PRODUCTS, SERVICES, AND ACCOMMODATIONS FOR AN
INJURED PERSON'S CARE, RECOVERY, OR REHABILITATION.

(ii) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
REASONABLE CHARGES INCURRED UP TO A MAXIMUM OF \$100,000.00 FOR
REASONABLY NECESSARY PRODUCTS, SERVICES, AND ACCOMMODATIONS FOR AN
INJURED PERSON'S CARE, RECOVERY, OR REHABILITATION.

(iii) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
REASONABLE CHARGES INCURRED UP TO A MAXIMUM OF \$200,000.00 FOR
REASONABLY NECESSARY PRODUCTS, SERVICES, AND ACCOMMODATIONS FOR AN
INJURED PERSON'S CARE, RECOVERY, OR REHABILITATION.

(iv) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
REASONABLE CHARGES INCURRED UP TO A MAXIMUM OF \$400,000.00 FOR
REASONABLY NECESSARY PRODUCTS, SERVICES, AND ACCOMMODATIONS FOR AN

1 INJURED PERSON'S CARE, RECOVERY, OR REHABILITATION.

2 (v) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
3 REASONABLE CHARGES INCURRED FOR REASONABLE NECESSARY PRODUCTS,
4 SERVICES, AND ACCOMMODATIONS FOR AN INJURED PERSON'S CARE,
5 RECOVERY, OR REHABILITATION UP TO THE CURRENT MAXIMUM AMOUNT OF
6 ULTIMATE LOSS SUSTAINED BY THE INSURER FOR PERSONAL PROTECTION
7 INSURANCE COVERAGE UNDER SECTION 3104(2).

8 (vi) COVERAGE FOR ALLOWABLE EXPENSES CONSISTING OF ALL
9 REASONABLE CHARGES INCURRED FOR REASONABLY NECESSARY PRODUCTS,
10 SERVICES, AND ACCOMMODATIONS FOR AN INJURED PERSON'S CARE,
11 RECOVERY, OR REHABILITATION.

12 (b) ~~Work~~—EXCEPT AS PROVIDED IN SUBSECTION (2), WORK loss
13 consisting of loss of income from work an injured person would have
14 performed during the first 3 years after the date of the accident
15 if he or she had not been injured. Work loss does not include any
16 loss after the date on which the injured person dies. Because the
17 benefits received from personal protection insurance for loss of
18 income are not taxable income, the benefits payable for such loss
19 of income shall be reduced 15% unless the claimant presents to the
20 insurer in support of his or her claim reasonable proof of a lower
21 value of the income tax advantage in his or her case, in which case
22 the lower value shall apply. ~~Beginning March 30, 1973~~ FOR THE
23 PERIOD BEGINNING OCTOBER 1, 2006 THROUGH SEPTEMBER 30, 2007, the
24 benefits payable for work loss sustained in a single 30-day period
25 and the income earned by an injured person for work during the same
26 period together shall not exceed ~~\$1,000.00~~ \$4,589.00, which maximum
27 shall apply pro rata to any lesser period of work loss. Beginning

1 October 1, ~~1974~~ 2007, the maximum shall be adjusted annually to
2 reflect changes in the cost of living under rules prescribed by the
3 commissioner but any change in the maximum shall apply only to
4 benefits arising out of accidents occurring subsequent to the date
5 of change in the maximum.

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

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

21 (3) THE FOLLOWING APPLY TO SUBSECTION (1)(A):

22 (A) IF AN INSURED FAILS TO SELECT 1 OF THE COVERAGES IN
23 SUBSECTION (1)(A), AN INSURER SHALL PROVIDE COVERAGE IN THE AMOUNT
24 SET FORTH IN SUBSECTION (1)(A)(vi).

25 (B) COVERAGE LIMITS UNDER SUBSECTION (1)(A) ARE PROVIDED ON A
26 PER INDIVIDUAL PER LOSS OCCURRENCE BASIS. COVERAGE UNDER SUBSECTION
27 (1)(A) APPLIES ONLY TO BENEFITS PAYABLE TO THE INSURED NAMED IN THE

1 POLICY, THE INSURED'S SPOUSE, AND ANY RELATIVE OF EITHER DOMICILED
2 IN THE SAME HOUSEHOLD.

3 (C) A PERSON WHO IS NOT AN INSURED NAMED IN A POLICY, NOT THE
4 INSURED'S SPOUSE, AND NOT A RELATIVE OF EITHER DOMICILED IN THE
5 SAME HOUSEHOLD IS ENTITLED ONLY TO COVERAGE IN THE LIMIT SET FORTH
6 IN SUBSECTION (1) (A) (i). PERSONAL PROTECTION INSURANCE BENEFITS
7 PAYABLE UNDER THIS SUBDIVISION ARE NOT PAYABLE TO THE EXTENT THAT
8 THE BENEFITS COVERING THE SAME LOSS ARE AVAILABLE FROM OTHER
9 SOURCES, REGARDLESS OF THE NATURE AND NUMBER OF BENEFIT SOURCES
10 AVAILABLE AND REGARDLESS OF THE NATURE OR FORM OF THE BENEFITS.

11 (D) REGARDLESS OF THE NUMBER OF MOTOR VEHICLES INSURED OR
12 INSURERS PROVIDING SECURITY IN ACCORDANCE WITH THIS CHAPTER, OR THE
13 PROVISIONS OF ANY OTHER LAW PROVIDING FOR DIRECT BENEFITS WITHOUT
14 REGARD TO FAULT FOR MOTOR OR ANY OTHER VEHICLE ACCIDENTS, A PERSON
15 SHALL NOT RECOVER DUPLICATE BENEFITS FOR THE SAME EXPENSES OR
16 LOSSES INCURRED UNDER SUBSECTION (1) (A).

17 (E) PERSONAL PROTECTION INSURANCE BENEFITS ARE LIMITED TO THE
18 LIMIT SET FORTH IN SECTION 3163 FOR ACCIDENTS OCCURRING IN THE
19 STATE OF MICHIGAN IF THE INJURED PERSON IS A NONRESIDENT OF
20 MICHIGAN AND THE INJURED PERSON'S BENEFITS ARE PAYABLE UNDER A
21 POLICY DELIVERED OUTSIDE OF MICHIGAN ONLY IF ELIGIBLE UNDER SECTION
22 3163.

23 (F) PERSONAL PROTECTION INSURANCE BENEFITS ARE NOT PAYABLE TO
24 A NONRESIDENT INJURED IN AN ACCIDENT OCCURRING OUTSIDE OF MICHIGAN
25 TO THE EXTENT THAT BENEFITS COVERING THE SAME LOSS ARE AVAILABLE
26 FROM OTHER SOURCES, REGARDLESS OF THE NATURE AND NUMBER OF BENEFIT
27 SOURCES AVAILABLE AND REGARDLESS OF THE NATURE OR FORM OF THE

1 BENEFITS. IF PERSONAL PROTECTION INSURANCE BENEFITS ARE PAYABLE TO
2 A NONRESIDENT UNDER THIS SUBDIVISION, THE BENEFITS ARE LIMITED TO
3 THE LIMIT SET FORTH IN SUBSECTION (1) (A) (i) PER INDIVIDUAL PER LOSS
4 OCCURRENCE.

5 (G) ALLOWABLE EXPENSES WITHIN PERSONAL PROTECTION INSURANCE
6 COVERAGE SHALL NOT INCLUDE CHARGES FOR A HOSPITAL ROOM IN EXCESS OF
7 A REASONABLE AND CUSTOMARY CHARGE FOR SEMIPRIVATE ACCOMMODATIONS
8 EXCEPT IF THE INJURED PERSON REQUIRES SPECIAL OR INTENSIVE CARE OR
9 FOR FUNERAL AND BURIAL EXPENSES IN EXCESS OF THE AMOUNT SET FORTH
10 IN THE POLICY, WHICH SHALL NOT BE LESS THAN \$1,750.00 OR MORE THAN
11 \$5,000.00.

12 Sec. 3114. (1) Except as provided in subsections (2), (3), and
13 (5), a personal protection insurance policy described in section
14 3101(1) applies to accidental bodily injury to the person named in
15 the policy, the person's spouse, and a relative of either domiciled
16 in the same household, if the injury arises from a motor vehicle
17 accident. A personal injury insurance policy described in section
18 3103(2) applies to accidental bodily injury to the person named in
19 the policy, the person's spouse, and a relative of either domiciled
20 in the same household, if the injury arises from a motorcycle
21 accident. When personal protection insurance benefits **DESCRIBED IN**
22 **SECTION 3107(1)**, or personal injury benefits described in section
23 3103(2), are payable to or for the benefit of an injured person
24 under his or her own policy and would also be payable under the
25 policy of his or her spouse, relative, or relative's spouse, the
26 injured person's insurer shall pay all of the benefits and is not
27 entitled to recoupment from the other insurer. **IN NO EVENT SHALL**

1 THE LIMIT OF LIABILITY FOR 2 OR MORE MOTOR VEHICLES UNDER 1 POLICY
2 OR FOR 2 OR MORE POLICIES BE ADDED TOGETHER, COMBINED, OR STACKED
3 TO DETERMINE THE LIMIT OF INSURANCE COVERAGE AVAILABLE FOR EACH
4 INJURED PERSON COVERED UNDER THE POLICY.

5 (2) A person suffering accidental bodily injury while an
6 operator or a passenger of a motor vehicle operated in the business
7 of transporting passengers shall receive the personal protection
8 insurance benefits to which the person is entitled from the insurer
9 of the motor vehicle. This subsection does not apply to a passenger
10 in the following, unless that passenger is not entitled to personal
11 protection insurance benefits under any other policy:

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

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

16 (c) A bus operating under a government sponsored
17 transportation program.

18 (d) A bus operated by or providing service to a nonprofit
19 organization.

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

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

24 (3) An employee, his or her spouse, or a relative of either
25 domiciled in the same household, who suffers accidental bodily
26 injury while an occupant of a motor vehicle owned or registered by
27 the employer, shall receive personal protection insurance benefits

1 to which the employee is entitled ~~from~~ **IN THE FOLLOWING ORDER OF**
2 **PRIORITY:**

3 (A) **FROM** the insurer of the furnished vehicle.

4 (B) **FROM HIS OR HER OWN POLICY, FROM HIS OR HER SPOUSE'S**
5 **POLICY, OR FROM THE POLICY OF A RELATIVE OF EITHER THE PERSON OR**
6 **HIS OR HER SPOUSE DOMICILED IN THE SAME HOUSEHOLD.**

7 (4) Except as provided in subsections (1) to (3), a person
8 suffering accidental bodily injury arising from a motor vehicle
9 accident while an occupant of a motor vehicle shall claim personal
10 protection insurance benefits from insurers in the following order
11 of priority:

12 (a) The insurer of the owner or registrant of the vehicle
13 occupied.

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

15 (5) A person suffering accidental bodily injury arising from a
16 motor vehicle accident which shows evidence of the involvement of a
17 motor vehicle while an operator or passenger of a motorcycle shall
18 claim personal protection insurance benefits from insurers in the
19 following order of priority:

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

22 (b) The insurer of the operator of the motor vehicle involved
23 in the accident.

24 (c) The motor vehicle insurer of the operator of the
25 motorcycle involved in the accident.

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

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

8 Sec. 3115. (1) Except as provided in ~~subsection (1) of section~~
9 ~~3114-3114(1)~~, a person suffering accidental bodily injury while not
10 an occupant of a motor vehicle shall claim personal protection
11 insurance benefits from insurers in the following order of
12 priority:

13 (a) Insurers of owners or registrants of motor vehicles
14 involved in the accident.

15 (b) Insurers of operators of motor vehicles involved in the
16 accident.

17 (2) When 2 or more insurers are in the same order of priority
18 to provide personal protection insurance benefits an insurer paying
19 benefits due is entitled to partial recoupment from the other
20 insurers in the same order of priority, together with a reasonable
21 amount of partial recoupment of the expense of processing the
22 claim, in order to accomplish equitable distribution of the loss
23 among such insurers.

24 (3) A limit upon the amount of personal protection insurance
25 benefits available because of accidental bodily injury to 1 person
26 arising from 1 motor vehicle accident shall be determined without
27 regard to the number of policies applicable to the accident.

1 (4) IN NO EVENT SHALL THE LIMIT OF LIABILITY FOR 2 OR MORE
2 MOTOR VEHICLES UNDER 1 POLICY OR FOR 2 OR MORE POLICIES BE ADDED
3 TOGETHER, COMBINED, OR STACKED TO DETERMINE THE LIMIT OF INSURANCE
4 COVERAGE AVAILABLE FOR EACH INJURED PERSON COVERED UNDER THE
5 POLICY.

6 Sec. 3163. (1) An insurer authorized to transact automobile
7 liability insurance and personal and property protection insurance
8 in this state shall file and maintain a written certification that
9 any accidental bodily injury or property damage occurring in this
10 state arising from the ownership, operation, maintenance, or use of
11 a motor vehicle as a motor vehicle by an out-of-state resident who
12 is insured under its automobile liability insurance policies, is
13 subject to the personal and property protection insurance system
14 under this act.

15 (2) A nonadmitted insurer may voluntarily file the
16 certification described in subsection (1).

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

27 (4) If an insurer of an out-of-state resident is required to

1 provide benefits under subsections (1) to (3) to that out-of-state
 2 resident for accidental bodily injury for an accident in which the
 3 out-of-state resident was not an occupant of a motor vehicle
 4 registered in this state, the insurer is only liable for the amount
 5 of ultimate loss sustained up to ~~\$500,000.00~~ **\$50,000.00**. Benefits
 6 under this subsection are not recoverable to the extent that
 7 benefits covering the same loss are available from other sources,
 8 regardless of the nature or number of benefit sources available and
 9 regardless of the nature or form of the benefits.

10 Sec. 3172. (1) A person entitled to claim because of
 11 accidental bodily injury arising out of the ownership, operation,
 12 maintenance, or use of a motor vehicle as a motor vehicle in this
 13 state may obtain personal protection insurance benefits through an
 14 assigned claims plan ~~if~~ **IN ANY OF THE FOLLOWING SITUATIONS:**

15 (A) **IF** no personal protection insurance is applicable to the
 16 injury. ~~+~~

17 (B) **IF** no personal protection insurance applicable to the
 18 injury can be identified. ~~+~~

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

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

27 (2) **IN ANY OF THE SITUATIONS UNDER SUBSECTION (1),** unpaid

1 benefits due or coming due are subject to being collected under the
2 assigned claims plan, and the insurer to which the claim is
3 assigned, or the assigned claims facility if the claim is assigned
4 to it, is entitled to reimbursement from the defaulting insurers to
5 the extent of their financial responsibility.

6 (3) ~~(2)~~ Except as otherwise provided in this subsection,
7 personal protection insurance benefits, including benefits arising
8 from accidents occurring before the effective date of this
9 subsection, payable through an assigned claims plan shall be
10 reduced to the extent that benefits covering the same loss are
11 available from other sources, regardless of the nature or number of
12 benefit sources available and regardless of the nature or form of
13 the benefits, to a person claiming personal protection insurance
14 benefits through the assigned claims plan. This subsection ~~shall~~
15 ~~only apply~~ **ONLY APPLIES** when the personal protection insurance
16 benefits are payable through the assigned claims plan because no
17 personal protection insurance is applicable to the injury, no
18 personal protection insurance applicable to the injury can be
19 identified, or the only identifiable personal protection insurance
20 applicable to the injury is, because of financial inability of 1 or
21 more insurers to fulfill their obligations, inadequate to provide
22 benefits up to the maximum prescribed. As used in this subsection
23 "sources" and "benefit sources" do not include the program for
24 medical assistance for the medically indigent under the social
25 welfare act, ~~Act No. 280 of the Public Acts of 1939, being sections~~
26 ~~400.1 to 400.121 of the Michigan Compiled Laws, or insurance under~~
27 ~~the health insurance for the aged act, title XVIII of the social~~

1 ~~security amendments of 1965-1939 PA 280, MCL 400.1 TO 400.119B, OR~~
2 **THE FEDERAL MEDICARE PROGRAM ESTABLISHED UNDER TITLE XVIII OF THE**
3 **SOCIAL SECURITY ACT, 42 USC 1395 TO 1395HHH.**

4 (4) ~~(3)~~—If the obligation to provide personal protection
5 insurance benefits cannot be ascertained because of a dispute
6 between 2 or more automobile insurers concerning their obligation
7 to provide coverage or the equitable distribution of the loss, and
8 if a method of voluntary payment of benefits cannot be agreed upon
9 among or between the disputing insurers, all of the following shall
10 apply:

11 (a) The insurers who are parties to the dispute shall, or the
12 claimant may, immediately notify the assigned claims facility of
13 their inability to determine their statutory obligations.

14 (b) The claim shall be assigned by the assigned claims
15 facility to an insurer which shall immediately provide personal
16 protection insurance benefits to the claimant or claimants entitled
17 to benefits **IN THE LOWEST AMOUNT APPLICABLE AMONG THE POLICIES IN**
18 **DISPUTE.**

19 (c) An action shall be immediately commenced on behalf of the
20 assigned claims facility by the insurer to whom the claim is
21 assigned in circuit court for the purpose of declaring the rights
22 and duties of any interested party.

23 (d) The insurer to whom the claim is assigned shall join as
24 parties defendant each insurer disputing either the obligation to
25 provide personal protection insurance benefits or the equitable
26 distribution of the loss among the insurers.

27 (e) The circuit court shall declare the rights and duties of

1 any interested party whether or not other relief is sought or could
2 be granted.

3 (f) After hearing the action, the circuit court shall
4 determine the insurer or insurers, if any, obligated to provide the
5 applicable personal protection insurance benefits and the equitable
6 distribution, if any, among the insurers obligated therefor, and
7 shall order reimbursement to the assigned claims facility from the
8 insurer or insurers to the extent of the responsibility as
9 determined by the court. ~~The reimbursement ordered under this~~
10 ~~subdivision shall include all benefits and costs paid or incurred~~
11 ~~by the assigned claims facility and all benefits and costs paid or~~
12 ~~incurred by insurers determined not to be obligated to provide~~
13 ~~applicable personal protection insurance benefits, including~~
14 ~~reasonable attorney fees and interest at the rate prescribed in~~
15 ~~section 3175 as of December 31 of the year preceding the~~
16 ~~determination of the circuit court.~~

17 (5) IF NO PERSONAL PROTECTION INSURANCE IS APPLICABLE TO THE
18 INJURY OR NO PERSONAL PROTECTION INSURANCE APPLICABLE TO THE INJURY
19 CAN BE IDENTIFIED, PERSONAL PROTECTION INSURANCE BENEFITS SHALL BE
20 PAID ONLY TO THE LIMIT PROVIDED FOR IN SECTION 3107(1)(A)(i). IF THE
21 ONLY IDENTIFIABLE PERSONAL PROTECTION INSURANCE APPLICABLE TO THE
22 INJURY IS, BECAUSE OF FINANCIAL INABILITY OF 1 OR MORE INSURERS TO
23 FULFILL THEIR OBLIGATIONS, INADEQUATE TO PROVIDE BENEFITS UP TO THE
24 MAXIMUM PRESCRIBED, PERSONAL PROTECTION INSURANCE BENEFITS SHALL BE
25 PAID TO THE LIMIT SELECTED BY THE INSURED UNDER SECTION 3107(1)(A)
26 OR AS PROVIDED IN SECTION 3107(3)(A).

27 (6) ANY REIMBURSEMENT ORDERED UNDER THIS SECTION AND ANY

1 RECOVERY OBTAINED IN CIRCUMSTANCES WHERE PERSONAL PROTECTION
2 INSURANCE BENEFITS HAVE BEEN OR MAY BE PAID THROUGH THE ASSIGNED
3 CLAIMS FACILITY SHALL INCLUDE ALL BENEFITS AND COSTS PAID OR
4 INCURRED BY INSURERS DETERMINED NOT TO BE OBLIGATED TO PROVIDE THE
5 APPLICABLE PERSONAL PROTECTION INSURANCE BENEFITS, INCLUDING
6 REASONABLE ATTORNEY FEES AND INTEREST AT THE RATE PRESCRIBED IN
7 SECTION 3175 AS OF DECEMBER 31 OF THE YEAR PRECEDING THE
8 REIMBURSEMENT ORDER OR RECOVERY DETERMINATION.

9 Enacting section 1. This amendatory act takes effect January
10 1, 2009.