

SENATE BILL No. 647

October 24, 2013, Introduced by Senator KAHN 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 102, 3301, 3330, and 4501 (MCL 500.102, 500.3301, 500.3330, and 500.4501), the title as amended by 2002 PA 304, section 102 as amended by 2000 PA 252, section 3330 as amended by 2012 PA 204, and section 4501 as amended by 2012 PA 39, and by adding section 6104 and chapter 63.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

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

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

23 Sec. 102. **AS USED IN THIS ACT:**

24 (A) ~~(1)~~"Commissioner" ~~as used in this act~~ means the
25 ~~commissioner of the office of financial and insurance~~
26 ~~services.~~**DIRECTOR.**

27 (B) ~~(2)~~"Department" ~~as used in this act~~ means the office

1 **DEPARTMENT of INSURANCE AND** financial ~~and insurance~~ services.

2 **(C) "DIRECTOR" MEANS THE DIRECTOR OF THE DEPARTMENT.**

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 AND THEFT PREVENTION AUTHORITY CREATED UNDER CHAPTER 63.**

13 (2) The organization created under this chapter shall be
14 called 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 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 **(I) UNTIL DECEMBER 31, 2018, TO ANNUALLY ASSESS PARTICIPATING**
22 **MEMBERS AND SELF-INSURERS AN AGGREGATE AMOUNT NOT TO EXCEED**
23 **\$21,000,000.00 TO COVER ANTICIPATED COSTS OF OPERATION AND**
24 **ADMINISTRATION OF THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT**
25 **PREVENTION AUTHORITY CREATED UNDER CHAPTER 63.**

26 (2) The board of governors shall institute or cause to be
27 instituted by the facility or on its behalf an automatic data

1 processing system for recording and compiling data relative to
2 individuals insured through the facility. An automatic data
3 processing system established under this subsection shall, to the
4 greatest extent possible, be made compatible with the automatic
5 data processing system maintained by the secretary of state, to
6 provide for the identification and review of individuals insured
7 through the facility.

8 (3) BEFORE JANUARY 2, 2014, THE BOARD OF GOVERNORS SHALL AMEND
9 THE PLAN OF OPERATION TO ESTABLISH APPROPRIATE PROCEDURES NECESSARY
10 TO MAKE ASSESSMENTS FOR AND TO CARRY OUT THE ADMINISTRATIVE DUTIES
11 AND FUNCTIONS OF THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT
12 PREVENTION AUTHORITY AS PROVIDED IN CHAPTER 63.

13 Sec. 4501. As used in this chapter:

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

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

25 (c) "Insurance policy" or "policy" means an insurance policy,
26 benefit contract of a self-funded plan, health maintenance
27 organization contract, nonprofit dental care corporation

1 certificate, or health care corporation certificate.

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

7 (E) **"MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION**
8 **AUTHORITY" MEANS THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT**
9 **PREVENTION AUTHORITY CREATED UNDER SECTION 6302.**

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

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

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

25 (I) ~~(h)~~ "Runner", "capper", or "steerer" means a person who
26 receives a pecuniary or other benefit from a practitioner, whether
27 directly or indirectly, for procuring or attempting to procure a

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

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

14 SEC. 6104. (1) BY JANUARY 1, 2014, THE AUTHORITY SHALL
15 TRANSFER ALL ASSETS OF THE AUTHORITY TO THE MICHIGAN AUTOMOBILE
16 INSURANCE PLACEMENT FACILITY FOR THE BENEFIT OF THE MICHIGAN
17 AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY CREATED
18 UNDER CHAPTER 63.

19 (2) THIS CHAPTER DOES NOT APPLY AFTER DECEMBER 31, 2013 AND
20 BEFORE JANUARY 1, 2019.

21 (3) AFTER DECEMBER 31, 2018, THE BOARD SHALL REINSTATE AND
22 OPERATE THE AUTHORITY IN THE SAME MANNER THAT IT WAS OPERATED
23 BEFORE JANUARY 1, 2014.

24 CHAPTER 63
25 MICHIGAN AUTOMOBILE INSURANCE FRAUD AND THEFT PREVENTION AUTHORITY

26 SEC. 6301. AS USED IN THIS CHAPTER:

27 (A) "AUTHORITY" MEANS THE MICHIGAN AUTOMOBILE INSURANCE FRAUD

1 AND THEFT PREVENTION AUTHORITY CREATED IN SECTION 6302.

2 (B) "AUTOMOBILE INSURANCE FRAUD" MEANS A FRAUDULENT INSURANCE
3 ACT AS DESCRIBED IN SECTION 4503 THAT IS COMMITTED IN CONNECTION
4 WITH AUTOMOBILE INSURANCE, INCLUDING AN APPLICATION FOR AUTOMOBILE
5 INSURANCE.

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

7 (D) "CAR YEARS" MEANS NET DIRECT PRIVATE PASSENGER AND
8 COMMERCIAL NONFLEET VEHICLE YEARS OF INSURANCE PROVIDING THE
9 SECURITY REQUIRED BY SECTION 3101(1) WRITTEN IN THIS STATE FOR THE
10 SECOND PREVIOUS CALENDAR YEAR AS REPORTED TO THE STATISTICAL AGENT
11 OF EACH INSURER.

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

14 SEC. 6302. (1) THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AND
15 THEFT PREVENTION AUTHORITY IS CREATED WITHIN THE FACILITY. THE
16 FACILITY SHALL PROVIDE STAFF FOR THE AUTHORITY AND SHALL CARRY OUT
17 THE ADMINISTRATIVE DUTIES AND FUNCTIONS AS DIRECTED BY THE BOARD.

18 (2) THE AUTHORITY IS NOT A STATE AGENCY, AND THE MONEY OF THE
19 AUTHORITY IS NOT STATE MONEY. THE AUTHORITY IS NOT A PUBLIC BODY
20 UNDER, AND A RECORD OF THE AUTHORITY IS NOT SUBJECT TO DISCLOSURE
21 UNDER, THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO
22 15.246.

23 (3) THE AUTHORITY SHALL DO BOTH OF THE FOLLOWING:

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

27 (B) PROVIDE FINANCIAL SUPPORT TO STATE OR LOCAL PROSECUTORIAL

1 AGENCIES FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF
2 AUTOMOBILE INSURANCE FRAUD AND THEFT.

3 (4) THE AUTHORITY MAY PROVIDE FINANCIAL SUPPORT TO LAW
4 ENFORCEMENT, PROSECUTORIAL, INSURANCE, EDUCATION, OR TRAINING
5 ASSOCIATIONS FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF
6 AUTOMOBILE INSURANCE FRAUD AND THEFT.

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

10 (A) NINE MEMBERS WHO REPRESENT AUTOMOBILE INSURERS IN THIS
11 STATE, INCLUDING THE FOLLOWING:

12 (i) AT LEAST 2 MEMBERS WHO REPRESENT INSURER GROUPS WITH
13 350,000 OR MORE CAR YEARS.

14 (ii) AT LEAST 2 MEMBERS WHO REPRESENT INSURER GROUPS WITH FEWER
15 THAN 350,000 BUT 100,000 OR MORE CAR YEARS.

16 (iii) AT LEAST 1 MEMBER WHO REPRESENTS INSURER GROUPS WITH FEWER
17 THAN 100,000 CAR YEARS.

18 (B) THE DIRECTOR OR HIS OR HER DESIGNEE.

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

20 (D) TWO MEMBERS WHO REPRESENT LAW ENFORCEMENT AGENCIES IN THIS
21 STATE.

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

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

25 (6) THE MEMBERS OF THE BOARD REPRESENTING INSURERS SHALL BE
26 ELECTED BY AUTOMOBILE INSURERS DOING BUSINESS IN THIS STATE FROM A
27 LIST OF NOMINEES PROPOSED BY THE BOARD OF GOVERNORS OF THE

1 FACILITY. IN PREPARING THE LIST OF NOMINEES FOR THE MEMBERS, THE
2 BOARD OF GOVERNORS OF THE FACILITY SHALL SOLICIT NOMINATIONS FROM
3 AUTOMOBILE INSURERS DOING BUSINESS IN THIS STATE.

4 (7) THE MEMBERS OF THE BOARD REPRESENTING LAW ENFORCEMENT
5 AGENCIES SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND
6 CONSENT OF THE SENATE. IN APPOINTING THE MEMBERS, THE GOVERNOR
7 SHALL COMPLY WITH ALL OF THE FOLLOWING:

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

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

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

16 (8) THE MEMBER OF THE BOARD REPRESENTING PROSECUTING ATTORNEYS
17 SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF
18 THE SENATE. IN APPOINTING THE MEMBER, THE GOVERNOR SHALL SOLICIT
19 INPUT FROM VARIOUS PROSECUTING ATTORNEYS ASSOCIATIONS IN THIS
20 STATE.

21 (9) THE MEMBER OF THE BOARD REPRESENTING THE GENERAL PUBLIC
22 SHALL BE APPOINTED BY THE GOVERNOR WITH THE ADVICE AND CONSENT OF
23 THE SENATE. THE GOVERNOR SHALL APPOINT AN INDIVIDUAL WHO IS A
24 RESIDENT OF THIS STATE AND IS NOT EMPLOYED BY OR UNDER CONTRACT
25 WITH A STATE OR LOCAL UNIT OF GOVERNMENT OR AN INSURER.

26 (10) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A MEMBER
27 OF THE BOARD SHALL SERVE FOR A TERM OF 4 YEARS OR UNTIL HIS OR HER

1 SUCCESSOR IS ELECTED, DESIGNATED, OR APPOINTED, WHICHEVER OCCURS
2 LATER. OF THE MEMBERS FIRST ELECTED OR APPOINTED UNDER THIS
3 SECTION, 3 MEMBERS REPRESENTING INSURERS AND 1 MEMBER REPRESENTING
4 LAW ENFORCEMENT AGENCIES SHALL SERVE FOR A TERM OF 2 YEARS, 3
5 MEMBERS REPRESENTING INSURERS, THE MEMBER REPRESENTING PROSECUTING
6 ATTORNEYS, AND THE MEMBER REPRESENTING THE GENERAL PUBLIC SHALL
7 SERVE FOR A TERM OF 3 YEARS, AND 3 MEMBERS REPRESENTING INSURERS
8 AND 1 MEMBER REPRESENTING LAW ENFORCEMENT AGENCIES SHALL SERVE FOR
9 A TERM OF 4 YEARS.

10 (11) THE BOARD IS DISSOLVED ON JANUARY 1, 2019.

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

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

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

27 (4) THE BOARD SHALL CONDUCT ITS BUSINESS AT MEETINGS THAT ARE

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

11 (A) TO CONSIDER THE HIRING, DISMISSAL, SUSPENSION,
12 DISCIPLINING, OR EVALUATION OF OFFICERS OR EMPLOYEES OF THE
13 AUTHORITY.

14 (B) TO CONSULT WITH ITS ATTORNEY.

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

17 (5) THE BOARD SHALL DISPLAY INFORMATION CONCERNING THE
18 AUTHORITY'S OPERATIONS AND ACTIVITIES, INCLUDING, BUT NOT LIMITED
19 TO, THE ANNUAL FINANCIAL REPORT REQUIRED UNDER SECTION 6310, ON A
20 PUBLICLY ACCESSIBLE INTERNET WEBSITE.

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

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

2 (B) THE NAMES OF BOARD MEMBERS WHO ARE PRESENT AND BOARD
3 MEMBERS WHO ARE ABSENT.

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

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

7 SEC. 6304. (1) BEFORE JANUARY 1, 2019, THE AUTHORITY SHALL
8 TRANSFER ALL ASSETS OF THE AUTHORITY THAT RELATE TO AUTOMOBILE
9 THEFT TO THE DEPARTMENT OF STATE POLICE FOR THE BENEFIT OF THE
10 AUTOMOBILE THEFT PREVENTION AUTHORITY.

11 (2) ON JANUARY 1, 2019, THE AUTHORITY IS DISSOLVED.

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

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

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

20 (C) MAKE GRANTS AND INVESTMENTS.

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

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

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

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

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

8 SEC. 6307. (1) BEFORE APRIL 1 OF EACH YEAR FROM 2014 TO 2018,
9 AN INSURER OR SELF-INSURER ENGAGED IN WRITING INSURANCE COVERAGES
10 THAT PROVIDE THE SECURITY REQUIRED BY SECTION 3101(1) IN THIS
11 STATE, AS A CONDITION OF ITS AUTHORITY TO TRANSACT INSURANCE IN
12 THIS STATE, SHALL PAY TO THE FACILITY, FOR DEPOSIT INTO THE ACCOUNT
13 OF THE AUTHORITY, AN ASSESSMENT DETERMINED BY THE FACILITY AS
14 PROVIDED IN THE PLAN OF OPERATION. THE ASSESSMENT SHALL BE BASED ON
15 THE RATIO OF THE CAR YEARS WRITTEN BY THE INSURER OR SELF-INSURER
16 TO THE TOTAL CAR YEARS WRITTEN IN THIS STATE BY ALL INSURERS AND
17 SELF-INSURERS.

18 (2) THE FACILITY SHALL SEGREGATE ALL MONEY RECEIVED UNDER
19 SUBSECTION (1), AND ALL OTHER MONEY RECEIVED BY THE AUTHORITY, FROM
20 OTHER MONEY OF THE FACILITY, IF APPLICABLE. THE FACILITY SHALL ONLY
21 EXPEND THE MONEY RECEIVED UNDER SUBSECTION (1) AS DIRECTED BY THE
22 BOARD AND AS PROVIDED IN SUBSECTION (3).

23 (3) BY MAY 1 OF EACH YEAR, THE FACILITY SHALL PAY 10% OF THE
24 MONEY RECEIVED UNDER SUBSECTION (1) TO THE BRAIN AND TRAUMATIC
25 INJURY FUND CREATED IN SECTION 6312.

26 SEC. 6308. (1) AN INSURER AUTHORIZED TO TRANSACT AUTOMOBILE
27 INSURANCE IN THIS STATE, AS A CONDITION OF ITS AUTHORITY TO

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

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

7 SEC. 6310. (1) BEGINNING JANUARY 1 OF THE YEAR AFTER THE
8 EFFECTIVE DATE OF THE AMENDATORY ACT THAT ADDED THIS SECTION, THE
9 AUTHORITY SHALL PREPARE AND PUBLISH AN ANNUAL FINANCIAL REPORT, AND
10 BEGINNING JULY 1 OF THE YEAR AFTER THE EFFECTIVE DATE OF THE
11 AMENDATORY ACT THAT ADDED THIS SECTION, THE AUTHORITY SHALL PREPARE
12 AND PUBLISH AN ANNUAL REPORT TO THE LEGISLATURE ON THE AUTHORITY'S
13 EFFORTS TO PREVENT AUTOMOBILE INSURANCE FRAUD AND THEFT AND COST
14 SAVINGS THAT HAVE RESULTED FROM THOSE EFFORTS.

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

1 SHALL EVALUATE THE IMPACT AUTOMOBILE INSURANCE FRAUD AND THEFT HAS
2 ON THE CITIZENS OF THIS STATE AND THE COSTS INCURRED BY THE
3 CITIZENS THROUGH INSURANCE, POLICE ENFORCEMENT, PROSECUTION, AND
4 INCARCERATION BECAUSE OF AUTOMOBILE INSURANCE FRAUD AND THEFT. THE
5 REPORT TO THE LEGISLATURE REQUIRED BY THIS SECTION SHALL BE
6 SUBMITTED TO THE SENATE AND HOUSE OF REPRESENTATIVES STANDING
7 COMMITTEES WITH PRIMARY JURISDICTION OVER INSURANCE ISSUES AND THE
8 DIRECTOR.

9 SEC. 6312. (1) THE BRAIN AND TRAUMATIC INJURY STUDY COMMISSION
10 IS CREATED.

11 (2) THE BRAIN AND TRAUMATIC INJURY STUDY COMMISSION CONSISTS
12 OF THE FOLLOWING MEMBERS, APPOINTED BY THE GOVERNOR:

13 (A) TWO REPRESENTATIVES OF INSURERS THAT WRITE AUTOMOBILE
14 INSURANCE.

15 (B) A REPRESENTATIVE OF THE MICHIGAN STATE MEDICAL SOCIETY.

16 (C) A REPRESENTATIVE OF THE MICHIGAN HEALTH AND HOSPITAL
17 ASSOCIATION.

18 (D) TWO INDIVIDUALS WHO HAVE SUFFERED SEVERE INJURIES IN AN
19 AUTO ACCIDENT.

20 (E) TWO INDIVIDUALS WHO GIVE CARE TO INDIVIDUALS WHO HAVE
21 SUFFERED SEVERE INJURIES IN AN AUTO ACCIDENT.

22 (F) TWO EXPERTS IN THE FIELD OF EVIDENCE-BASED CARE FOR
23 CATASTROPHICALLY INJURED PATIENTS.

24 (3) MEMBERS OF THE BRAIN AND TRAUMATIC INJURY STUDY COMMISSION
25 SHALL SERVE FOR TERMS OF 3 YEARS OR UNTIL A SUCCESSOR IS APPOINTED.
26 THE GOVERNOR SHALL NOT REAPPOINT A MEMBER WHO HAS ALREADY SERVED 3
27 TERMS ON THE COMMISSION.

1 (4) IF A VACANCY OCCURS ON THE BRAIN AND TRAUMATIC INJURY
2 STUDY COMMISSION, THE GOVERNOR SHALL MAKE AN APPOINTMENT FOR THE
3 UNEXPIRED TERM IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT.

4 (5) THE FIRST MEETING OF THE BRAIN AND TRAUMATIC INJURY STUDY
5 COMMISSION SHALL BE CALLED BY THE MEMBER WHO IS THE REPRESENTATIVE
6 OF THE MICHIGAN HEALTH AND HOSPITAL ASSOCIATION. AT THE FIRST
7 MEETING, THE COMMISSION SHALL ELECT FROM AMONG ITS MEMBERS A
8 CHAIRPERSON AND OTHER OFFICERS AS IT CONSIDERS NECESSARY OR
9 APPROPRIATE. AFTER THE FIRST MEETING, THE COMMISSION SHALL MEET AT
10 LEAST QUARTERLY, OR MORE FREQUENTLY AT THE CALL OF THE CHAIRPERSON
11 OR IF REQUESTED BY 5 OR MORE MEMBERS.

12 (6) A MAJORITY OF THE MEMBERS OF THE BRAIN AND TRAUMATIC
13 INJURY STUDY COMMISSION CONSTITUTE A QUORUM FOR THE TRANSACTION OF
14 BUSINESS AT A MEETING OF THE COMMISSION. A MAJORITY OF THE MEMBERS
15 PRESENT AND SERVING ARE REQUIRED FOR OFFICIAL ACTION OF THE
16 COMMISSION.

17 (7) THE BUSINESS THAT THE BRAIN AND TRAUMATIC INJURY STUDY
18 COMMISSION MAY PERFORM SHALL BE CONDUCTED AT A PUBLIC MEETING OF
19 THE COMMISSION HELD IN COMPLIANCE WITH THE OPEN MEETINGS ACT, 1976
20 PA 267, MCL 15.261 TO 15.275.

21 (8) A WRITING PREPARED, OWNED, USED, IN THE POSSESSION OF, OR
22 RETAINED BY THE BRAIN AND TRAUMATIC INJURY STUDY COMMISSION IN THE
23 PERFORMANCE OF AN OFFICIAL FUNCTION IS SUBJECT TO THE FREEDOM OF
24 INFORMATION ACT, 1976 PA 442, MCL 15.231 TO 15.246.

25 (9) MEMBERS OF THE BRAIN AND TRAUMATIC INJURY STUDY COMMISSION
26 SHALL SERVE WITHOUT COMPENSATION. HOWEVER, MEMBERS OF THE
27 COMMISSION MAY BE REIMBURSED FOR THEIR ACTUAL AND NECESSARY

1 EXPENSES INCURRED IN THE PERFORMANCE OF THEIR OFFICIAL DUTIES AS
2 MEMBERS OF THE COMMISSION.

3 (10) THE BRAIN AND TRAUMATIC INJURY STUDY COMMISSION SHALL DO
4 ALL OF THE FOLLOWING:

5 (A) MAKE RECOMMENDATIONS FOR APPROPRIATE CARE FOR INDIVIDUALS
6 WHO HAVE SUFFERED BRAIN AND OTHER TRAUMATIC INJURY AS A RESULT OF
7 AN AUTO ACCIDENT.

8 (B) EVALUATE EXISTING RESEARCH ON EVIDENCE-BASED CARE
9 PROTOCOLS AND DIRECT NECESSARY ADDITIONAL EVIDENCE-BASED RESEARCH
10 RELATED TO ALL OF THE FOLLOWING:

11 (i) TRAUMA CARE.

12 (ii) ACUTE INPATIENT CARE INCLUDING INTENSIVE CARE, STEP-DOWN
13 CARE, INPATIENT REHABILITATION, AND USE OF LONG-TERM ACUTE CARE.

14 (iii) OCCUPATIONAL THERAPY, INCLUDING APPROPRIATE CARE REQUIRED
15 TO RECOVER AND MAINTAIN FUNCTIONALITY.

16 (iv) PHYSICAL THERAPY, INCLUDING APPROPRIATE CARE REQUIRED TO
17 RECOVER AND MAINTAIN FUNCTIONALITY.

18 (v) NUTRITIONAL INSTRUCTION AND MONITORING.

19 (vi) THE MOST APPROPRIATE SETTINGS FOR LONG-TERM CARE DEPENDING
20 ON THE DEGREE OF INJURY, AGE OF THE INJURED INDIVIDUAL, AND
21 PRESERVATION OF EXISTING FAMILY AND OTHER SOCIAL SUPPORT NETWORKS.

22 (vii) APPROPRIATE CARE RELATED TO ACTIVITIES OF DAILY LIVING
23 THAT ALLOW FOR THE HIGHEST DEGREE OF INDEPENDENCE WHILE SUPPORTING
24 THE INJURED PERSON IN A DIGNIFIED MANNER RELATED TO PERSONAL CARE
25 NEEDS.

26 (viii) THE EFFECTIVENESS OF COMPLEMENTARY AND ALTERNATIVE CARE
27 METHODS TO ENHANCE AND MAINTAIN EXECUTIVE FUNCTIONING, APPROPRIATE

1 SOCIAL BEHAVIORS, PHYSICAL FUNCTIONALITY, SPEECH, AND OTHER SKILLS
2 IMPAIRED OR DESTROYED IN THE ACCIDENT.

3 (C) ADD OTHER AREAS OF STUDY AS DETERMINED NECESSARY BY THE
4 COMMISSION.

5 (D) WITHIN 1 YEAR AFTER THE EFFECTIVE DATE OF THE AMENDATORY
6 ACT THAT ADDED THIS SECTION, COMPLETE AN INITIAL EVALUATION OF THE
7 STANDARDS OF CARE IN AUTO ACCIDENT CASES THAT HAVE OCCURRED IN THIS
8 STATE.

9 (E) THREE YEARS AFTER THE EFFECTIVE DATE OF THE AMENDATORY ACT
10 THAT ADDED THIS SECTION AND, SUBJECT TO SUBSECTION (12), EVERY 5
11 YEARS AFTER THAT 3-YEAR REPORT, THE BRAIN AND TRAUMATIC INJURY
12 STUDY COMMISSION SHALL ISSUE A REPORT ON ITS FINDINGS WITH RESPECT
13 TO THE BEST AND MOST APPROPRIATE CARE FOR INDIVIDUALS WHO HAVE BEEN
14 CATASTROPHICALLY INJURED.

15 (F) WORK WITH THE APPROPRIATE HOSPITAL, PHYSICIAN, LONG-TERM
16 CARE, AND OTHER ORGANIZATIONS TO ACHIEVE EFFECTIVE DISSEMINATION OF
17 INFORMATION DEVELOPED BY THE COMMISSION AND IMPLEMENTATION AT THE
18 BEDSIDE.

19 (11) THE BRAIN AND TRAUMATIC INJURY STUDY COMMISSION MAY HIRE
20 STAFF OR CONTRACT WITH OTHER PERSONS TO ACHIEVE THE
21 RESPONSIBILITIES OF THE COMMISSION UNDER THIS SECTION.

22 (12) UNLESS SECTION 6307 IS AMENDED TO EXTEND THE ASSESSMENTS
23 UNDER THAT SECTION BEYOND 2018, THE BRAIN AND TRAUMATIC INJURY
24 STUDY COMMISSION IS DISSOLVED ON JANUARY 1, 2019.