

# HOUSE BILL No. 4041

January 18, 2017, Introduced by Rep. Lucido and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending sections 3101a and 3102 (MCL 500.3101a and 500.3102),  
section 3101a as amended by 2014 PA 419 and section 3102 as amended  
by 1990 PA 79.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3101a. ~~(1) Except as otherwise provided in this section,~~  
2       ~~an insurer, in conjunction with the issuance of an automobile~~  
3       ~~insurance policy, as defined in section 3303, shall provide 2~~  
4       ~~certificates of insurance for each insured vehicle. The insurer~~  
5       ~~shall mark 1 of the certificates as the secretary of state's copy,~~  
6       ~~which copy, except as otherwise provided in this section, shall be~~  
7       ~~filed with the secretary of state by the policyholder upon~~  
8       ~~application for a vehicle registration. The secretary of state~~

1 ~~shall not maintain the certificate of insurance received under this~~  
2 ~~subsection on file.~~

3       (1) ~~(2) Beginning December 30, 2011, an~~ **AN** insurer, in  
4 conjunction with the issuance of an automobile insurance policy,  
5 shall provide to the insured 1 certificate of insurance for each  
6 insured vehicle, and for private passenger nonfleet automobiles  
7 listed on the policy shall supply to the secretary of state ~~, in~~  
8 ~~the format and timeline as required by the secretary of state,~~  
9 ~~which shall not be required more frequently than every 14 days,~~ the  
10 automobile insurer's name, the **NAME OF THE** named insured, the named  
11 insured's address, the vehicle identification number for each ~~such~~  
12 **PRIVATE PASSENGER NONFLEET** vehicle listed on the policy, and the  
13 policy number. **THE INSURER SHALL TRANSMIT THE INFORMATION REQUIRED**  
14 **UNDER THIS SUBSECTION ELECTRONICALLY IMMEDIATELY ON ISSUANCE OF THE**  
15 **AUTOMOBILE POLICY. AS USED IN THIS SUBSECTION, "PRIVATE PASSENGER**  
16 **NONFLEET AUTOMOBILE" MEANS THAT TERM AS DEFINED IN SECTION 3303.**

17       (2) **AN INSURER OR INSURANCE PRODUCER SHALL NOTIFY THE**  
18 **SECRETARY OF STATE IF AN AUTOMOBILE INSURANCE POLICY EXPIRES**  
19 **WITHOUT BEING RENEWED OR IS TERMINATED OR IF A POLICYHOLDER CANCELS**  
20 **HIS OR HER AUTOMOBILE INSURANCE POLICY. THE NOTICE MUST BE**  
21 **TRANSMITTED ELECTRONICALLY IMMEDIATELY ON EXPIRATION, TERMINATION,**  
22 **OR CANCELLATION OF THE POLICY. THE NOTICE MUST CONTAIN ALL OF THE**  
23 **FOLLOWING INFORMATION:**

24       **(A) THE VEHICLE IDENTIFICATION NUMBER.**

25       **(B) THE NAME AND ADDRESS OF THE POLICY HOLDER.**

26       **(C) THE INSURANCE POLICY NUMBER.**

27       **(D) THE TIME AND DATE OF EXPIRATION, TERMINATION, OR**

1 **CANCELLATION.**

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

10 (4) ~~(3)~~ The secretary of state shall accept as proof of  
11 vehicle insurance a transmission of the insured vehicle's vehicle  
12 identification number. Policy information submitted by an insurer  
13 and received by the secretary of state under this section is  
14 confidential, is not subject to the freedom of information act,  
15 1976 PA 442, MCL 15.231 to 15.246, and shall not be disclosed to  
16 any person except the department of ~~community health~~ **AND HUMAN**  
17 **SERVICES** for purposes of 2006 PA 593, MCL 550.281 to 550.289, or  
18 pursuant to an order by a court of competent jurisdiction in  
19 connection with a claim or fraud investigation or prosecution. The  
20 transmission to the secretary of state of a vehicle identification  
21 number is proof of insurance to the secretary of state for motor  
22 vehicle registration purposes only and is not evidence that a  
23 policy of insurance actually exists between an insurer and an  
24 individual.

25 (5) ~~(4)~~ A person who **FAILS TO SUPPLY INFORMATION TO THE**  
26 **SECRETARY OF STATE OR WHO** supplies false information to the  
27 secretary of state under this section or who issues or uses an

1 altered, fraudulent, or counterfeit certificate of insurance is  
 2 guilty of a misdemeanor punishable by imprisonment for not more  
 3 than 1 year or a fine of not more than \$1,000.00, or both.

4       **(6)** ~~(5)~~ The department of ~~community health~~ **AND HUMAN SERVICES**  
 5 shall report to the senate and house of representatives  
 6 appropriations committees and standing committees concerning  
 7 insurance issues on the number of claims and total dollar amount  
 8 recovered from automobile insurers ~~pursuant to~~ **UNDER** 2006 PA 593,  
 9 MCL 550.281 to 550.289. The reports required by this subsection  
 10 ~~shall~~ **MUST** be given to the appropriations committees and standing  
 11 committees concerning insurance issues by December 30 of each year  
 12 through December 30, 2018 and ~~shall~~ **MUST** cover the preceding 12-  
 13 month period.

14       Sec. 3102. (1) A nonresident owner or registrant of a motor  
 15 vehicle or motorcycle not registered in this state shall not  
 16 operate or permit the motor vehicle or motorcycle to be operated in  
 17 this state for an aggregate of more than 30 days in any calendar  
 18 year unless he or she continuously maintains security for the  
 19 payment of benefits ~~pursuant to~~ **UNDER** this chapter.

20       (2) An owner or registrant of a motor vehicle or motorcycle  
 21 with respect to which security is required ~~,~~ **UNDER THIS CHAPTER** who  
 22 operates the motor vehicle or motorcycle or permits it to be  
 23 operated ~~upon~~ **ON** a public highway in this state ~~,~~ without having ~~in~~  
 24 ~~full force and effect~~ **THE** security ~~complying with this section or~~  
 25 ~~section 3101 or 3103~~ **REQUIRED UNDER THIS CHAPTER IN EFFECT** is  
 26 guilty of a misdemeanor. A person who operates a motor vehicle or  
 27 motorcycle ~~upon~~ **ON** a public highway in this state with the

1 knowledge that the owner or registrant does not have **THE** security  
 2 **REQUIRED UNDER THIS CHAPTER** in ~~full force and effect~~ is guilty of a  
 3 misdemeanor. A person convicted of a misdemeanor under this section  
 4 ~~shall~~ **MUST** be fined not ~~less than \$200.00 nor more than \$500.00~~ **FOR**  
 5 **A FIRST OFFENSE OR \$1,000.00 FOR A SECOND OR SUBSEQUENT OFFENSE,**  
 6 imprisoned for not more than 1 year, or both.

7 (3) The failure of a person to produce evidence that a motor  
 8 vehicle or motorcycle has ~~in full force and effect~~ **THE** security  
 9 ~~complying with this section or section 3101 or 3103~~ **REQUIRED UNDER**  
 10 **THIS CHAPTER IN EFFECT** on the date of ~~the~~ issuance of ~~the~~ **A**  
 11 citation ~~, FOR A VIOLATION OF SUBSECTION (2)~~ creates a rebuttable  
 12 presumption in a prosecution ~~under subsection (2)~~ **FOR THE VIOLATION**  
 13 that the motor vehicle or motorcycle did not have ~~in full force and~~  
 14 ~~effect~~ **THE** security ~~complying with this section or section 3101 or~~  
 15 ~~3103~~ **REQUIRED UNDER THIS CHAPTER IN EFFECT** on ~~the~~ **THAT** date. ~~of the~~  
 16 ~~issuance of the citation.~~

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

19 Enacting section 2. This amendatory act does not take effect  
 20 unless Senate Bill No. \_\_\_\_ or House Bill No. 4010 (request no.  
 21 01139'17) of the 99th Legislature is enacted into law.