

SENATE BILL No. 1061

September 16, 2014, Introduced by Senator BIEDA and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3101a (MCL 500.3101a), as amended by 2011 PA
91.

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 SUPPLY THE INFORMATION REQUIRED**
14 **UNDER THIS SUBSECTION IN THE FORMAT AND ON A TIMELINE AS REQUIRED**
15 **BY THE SECRETARY OF STATE. THE SECRETARY OF STATE SHALL NOT REQUIRE**
16 **THE SUBMISSION OF INFORMATION UNDER THIS SUBSECTION MORE FREQUENTLY**
17 **THAN EVERY 14 DAYS. IN DETERMINING THE FORMAT UNDER THIS**
18 **SUBSECTION, THE SECRETARY OF STATE SHALL CONSULT WITH INSURERS. AS**
19 **USED IN THIS SUBSECTION, "PRIVATE PASSENGER NONFLEET AUTOMOBILE"**
20 **MEANS THAT TERM AS DEFINED IN SECTION 3303.**

21 (2) **AN INSURER SHALL NOTIFY THE SECRETARY OF STATE IF AN**
22 **AUTOMOBILE INSURANCE POLICY EXPIRES WITHOUT BEING RENEWED OR IS**
23 **TERMINATED OR IF A POLICYHOLDER CANCELS HIS OR HER AUTOMOBILE**
24 **INSURANCE POLICY. THE NOTICE OF EXPIRATION, TERMINATION, OR**
25 **CANCELLATION SHALL CONTAIN ALL OF THE FOLLOWING INFORMATION:**

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

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

1 (C) THE INSURANCE POLICY NUMBER.

2 (D) THE TIME AND DATE OF EXPIRATION, TERMINATION, OR
3 CANCELLATION.

4 (3) Until December 31, 2014, the secretary of state shall
5 provide policy information received under ~~this~~ subsection (1) to
6 the department of community health as required for the department
7 of community health to comply with 2006 PA 593, MCL 550.281 to
8 550.289. ~~In determining the format under this subsection, the~~
9 ~~secretary of state shall consult with insurers. As used in this~~
10 ~~subsection, "private passenger nonfleet automobile" means that term~~
11 ~~as defined in section 3303.~~

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

26 (5) ~~(4)~~—A person who **FAILS TO SUPPLY INFORMATION TO THE**
27 **SECRETARY OF STATE OR WHO** supplies false information to the

1 secretary of state under this section or who issues or uses an
2 altered, fraudulent, or counterfeit certificate of insurance is
3 guilty of a misdemeanor punishable by imprisonment for not more
4 than 1 year or a fine of not more than \$1,000.00, or both.

5 ~~—— (5) The department of community health shall report to the~~
6 ~~senate and house of representatives appropriations committees and~~
7 ~~standing committees concerning insurance issues on the number of~~
8 ~~claims and total dollar amount recovered from automobile insurers~~
9 ~~pursuant to 2006 PA 593, MCL 550.281 to 550.289. The reports~~
10 ~~required by this subsection shall be given to the appropriations~~
11 ~~committees and standing committees concerning insurance issues by~~
12 ~~December 30, 2012 and December 30, 2013 and shall cover the~~
13 ~~immediately preceding 12 month period.~~