

HOUSE BILL No. 4715

June 7, 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 the title and sections 3330 and 4501 (MCL 500.3330 and
500.4501), the title as amended by 2002 PA 304, section 3330 as
amended by 2012 PA 204, and section 4501 as amended by 2012 PA 39,
and by adding 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
associations; to provide their rights, powers, and immunities and
to prescribe the conditions on which companies and associations
organized, existing, or authorized under this act may exercise

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

~~malpractice insurance fund;~~ to provide for the departmental
 supervision and regulation of the insurance and surety business
 within this state; to provide for regulation ~~over~~**OF** worker's
 compensation self-insurers; to provide for the conservation,
 rehabilitation, or liquidation of unsound or insolvent insurers; to
 provide for the protection of policyholders, claimants, and
 creditors of unsound or insolvent insurers; to provide for
 associations of insurers to protect policyholders and claimants in
 the event of insurer insolvencies; to prescribe educational
 requirements for insurance agents and solicitors; to provide for
 the regulation of multiple employer welfare arrangements; to create
~~an automobile theft prevention authority~~**1 OR MORE AUTHORITIES** to
 reduce **INSURANCE FRAUD AND** the number of automobile thefts in this
 state ~~;~~**AND** to prescribe the powers and duties of the ~~automobile~~
~~theft prevention authority;~~**AUTHORITIES;** to provide ~~certain~~**FOR THE**
 powers and duties ~~upon~~**OF** certain officials, departments, and
 authorities of this state; to provide for an appropriation; to
 repeal acts and parts of acts; and to provide penalties for the
 violation of this act.

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

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

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

1 (c) To assess participating members on the basis of
2 participation ratios ~~pursuant to section 3303~~ to cover anticipated
3 costs of operation and administration of the facility, to provide
4 for equitable servicing fees, and to share losses, profits, and
5 expenses pursuant to the plan of operation.

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

9 (e) To provide for a limited number of participating members
10 to receive equitable distribution of applicants; or to provide for
11 a limited number of participating members to service applicants in
12 a plan of sharing of losses in accordance with section 3320(1)(c)
13 and the plan of operation.

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

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

23 (h) To assess self-insurers and insurers consistent with
24 chapter 31 and the assigned claims plan approved under section
25 3171.

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 MARCH 1, 2018, THE BOARD OF GOVERNORS SHALL AMEND**
 9 **THE PLAN OF OPERATION TO ESTABLISH APPROPRIATE PROCEDURES NECESSARY**
 10 **TO COLLECT MONEY AND CARRY OUT THE ADMINISTRATIVE DUTIES AND**
 11 **FUNCTIONS OF THE MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY.**

12 Sec. 4501. As used in this chapter:

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

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

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

27 (d) "Insurer" means a property-casualty insurer, life insurer,

1 third party administrator, self-funded plan, health insurer, health
2 maintenance organization, nonprofit dental care corporation, health
3 care corporation, reinsurer, or any other entity regulated by the
4 insurance laws of this state and providing any form of insurance.

5 **(E) "MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY" MEANS THE**
6 **MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY CREATED UNDER SECTION**
7 **6302.**

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

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

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

23 **(I)** ~~(h)~~—"Runner", "capper", or "steerer" means a person who
24 receives a pecuniary or other benefit from a practitioner, whether
25 directly or indirectly, for procuring or attempting to procure a
26 client, patient, or customer at the direction or request of, or in
27 cooperation with, a practitioner whose intent is to obtain benefits

1 under a contract of insurance or to assert a claim against an
2 insured or an insurer for providing services to the client,
3 patient, or customer. Runner, capper, or steerer does not include a
4 practitioner who procures clients, patients, or customers through
5 the use of public media.

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

12 CHAPTER 63

13 MICHIGAN AUTOMOBILE INSURANCE FRAUD AUTHORITY

14 SEC. 6301. AS USED IN THIS CHAPTER:

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

17 (B) "AUTOMOBILE INSURANCE FRAUD" MEANS A FRAUDULENT INSURANCE
18 ACT AS DESCRIBED IN SECTION 4503 OR ADDRESSED UNDER SECTION
19 208C(3)(F) OR 227(4) OF THE MICHIGAN VEHICLE CODE, 1949 PA 300, MCL
20 257.208C AND 257.227, THAT IS COMMITTED IN CONNECTION WITH
21 AUTOMOBILE INSURANCE, INCLUDING AN APPLICATION FOR AUTOMOBILE
22 INSURANCE.

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

24 (D) "CAR YEARS" MEANS NET DIRECT PRIVATE PASSENGER AND
25 COMMERCIAL NONFLEET VEHICLE YEARS OF INSURANCE PROVIDING THE
26 SECURITY REQUIRED BY SECTION 3101(1) WRITTEN IN THIS STATE FOR THE
27 SECOND PREVIOUS CALENDAR YEAR AS REPORTED TO THE STATISTICAL AGENT

1 OF EACH INSURER.

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

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

8 (2) THE AUTHORITY IS NOT A STATE AGENCY, AND THE MONEY OF THE
9 AUTHORITY IS NOT STATE MONEY. HOWEVER, THE AUTHORITY SHALL COMPLY
10 WITH THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.231 TO
11 15.246, AS IF THE AUTHORITY WERE A PUBLIC BODY. A RECORD OR PORTION
12 OF A RECORD, MATERIAL, DATA, OR OTHER INFORMATION RECEIVED,
13 PREPARED, USED, OR RETAINED BY THE AUTHORITY IN CONNECTION WITH THE
14 INVESTMENT OF ASSETS OR OF AN INSURER THAT RELATES TO FINANCIAL OR
15 PROPRIETARY INFORMATION AND IS CONSIDERED BY THE PERSON OR INSURER
16 PROVIDING THE AUTHORITY WITH THE RECORD, MATERIAL, DATA, OR
17 INFORMATION AS CONFIDENTIAL AND ACKNOWLEDGED BY THE AUTHORITY AS
18 CONFIDENTIAL IS NOT SUBJECT TO DISCLOSURE BY THE AUTHORITY. AS USED
19 IN THIS SUBSECTION:

20 (A) "FINANCIAL OR PROPRIETARY INFORMATION" MEANS INFORMATION
21 THAT HAS NOT BEEN PUBLICLY DISSEMINATED OR THAT IS UNAVAILABLE FROM
22 OTHER SOURCES, THE RELEASE OF WHICH MIGHT CAUSE THE PERSON
23 PROVIDING THE INFORMATION TO THE AUTHORITY SIGNIFICANT COMPETITIVE
24 HARM. FINANCIAL OR PROPRIETARY INFORMATION INCLUDES, BUT IS NOT
25 LIMITED TO, FINANCIAL PERFORMANCE DATA AND PROJECTIONS, FINANCIAL
26 STATEMENTS, AND PRODUCT AND MARKET DATA.

27 (B) "PUBLIC BODY" MEANS THAT TERM AS DEFINED IN SECTION 2 OF

1 THE FREEDOM OF INFORMATION ACT, 1976 PA 442, MCL 15.232.

2 (3) WITH THE DISCRETION TO APPROVE OR DISAPPROVE PROGRAMS TO
3 BE SUPPORTED, THE AUTHORITY SHALL DO BOTH OF THE FOLLOWING:

4 (A) PROVIDE FINANCIAL SUPPORT TO STATE OR LOCAL LAW
5 ENFORCEMENT AGENCIES FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE
6 OF AUTOMOBILE INSURANCE FRAUD.

7 (B) PROVIDE FINANCIAL SUPPORT TO STATE REGULATORY AGENCIES OR
8 STATE OR LOCAL PROSECUTORIAL AGENCIES FOR PROGRAMS DESIGNED TO
9 REDUCE THE INCIDENCE OF AUTOMOBILE INSURANCE FRAUD.

10 (4) THE AUTHORITY MAY PROVIDE FINANCIAL SUPPORT TO LAW
11 ENFORCEMENT, PROSECUTORIAL, INSURANCE, EDUCATION, OR TRAINING
12 ASSOCIATIONS FOR PROGRAMS DESIGNED TO REDUCE THE INCIDENCE OF
13 AUTOMOBILE INSURANCE FRAUD.

14 (5) THE PURPOSES, POWERS, AND DUTIES OF THE AUTHORITY ARE
15 VESTED IN AND SHALL BE EXERCISED BY A BOARD OF DIRECTORS. THE BOARD
16 OF DIRECTORS CONSISTS OF 16 MEMBERS AS FOLLOWS:

17 (A) EIGHT MEMBERS WHO REPRESENT AUTOMOBILE INSURERS IN THIS
18 STATE, INCLUDING THE FOLLOWING:

19 (i) AT LEAST 2 MEMBERS WHO REPRESENT INSURER GROUPS WITH
20 350,000 OR MORE CAR YEARS.

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

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

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

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

27 (D) THE SECRETARY OF STATE OR HIS OR HER DESIGNEE.

1 (E) THE DIRECTOR OF THE DEPARTMENT OF STATE POLICE OR HIS OR
2 HER DESIGNEE.

3 (F) TWO MEMBERS WHO REPRESENT OTHER LAW ENFORCEMENT AGENCIES
4 IN THIS STATE.

5 (G) ONE MEMBER WHO REPRESENTS PROSECUTING ATTORNEYS IN THIS
6 STATE.

7 (H) ONE MEMBER WHO REPRESENTS THE GENERAL PUBLIC.

8 (6) THE MEMBERS OF THE BOARD REPRESENTING INSURERS SHALL BE
9 ELECTED BY AUTHORIZED INSURERS THAT PROVIDE AUTOMOBILE INSURANCE IN
10 THIS STATE FROM A LIST OF NOMINEES PROPOSED BY THE BOARD OF
11 GOVERNORS OF THE FACILITY. IN PREPARING THE LIST OF NOMINEES FOR
12 THE MEMBERS, THE BOARD OF GOVERNORS OF THE FACILITY SHALL SOLICIT
13 NOMINATIONS FROM AUTHORIZED INSURERS THAT PROVIDE AUTOMOBILE
14 INSURANCE IN THIS STATE.

15 (7) THE GOVERNOR SHALL APPOINT THE MEMBERS OF THE BOARD
16 REPRESENTING LAW ENFORCEMENT AGENCIES OTHER THAN THE DEPARTMENT OF
17 STATE POLICE. IN APPOINTING THE MEMBERS, THE GOVERNOR SHALL SOLICIT
18 INPUT FROM VARIOUS LAW ENFORCEMENT ASSOCIATIONS IN THIS STATE.

19 (8) THE GOVERNOR SHALL APPOINT THE MEMBER OF THE BOARD
20 REPRESENTING PROSECUTING ATTORNEYS. IN APPOINTING THE MEMBER, THE
21 GOVERNOR SHALL SOLICIT INPUT FROM THE PROSECUTING ATTORNEYS
22 ASSOCIATION OF MICHIGAN.

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

1 (10) EXCEPT AS OTHERWISE PROVIDED IN THIS SUBSECTION, A MEMBER
2 OF THE BOARD SHALL SERVE FOR A TERM OF 4 YEARS OR UNTIL HIS OR HER
3 SUCCESSOR IS ELECTED, DESIGNATED, OR APPOINTED, WHICHEVER OCCURS
4 LATER. OF THE MEMBERS FIRST ELECTED OR APPOINTED UNDER THIS
5 SECTION, 2 MEMBERS REPRESENTING INSURERS AND 1 MEMBER REPRESENTING
6 LAW ENFORCEMENT AGENCIES SHALL SERVE FOR A TERM OF 2 YEARS, 3
7 MEMBERS REPRESENTING INSURERS, THE MEMBER REPRESENTING PROSECUTING
8 ATTORNEYS, AND THE MEMBER REPRESENTING THE GENERAL PUBLIC SHALL
9 SERVE FOR A TERM OF 3 YEARS, AND 3 MEMBERS REPRESENTING INSURERS
10 AND 1 MEMBER REPRESENTING LAW ENFORCEMENT AGENCIES SHALL SERVE FOR
11 A TERM OF 4 YEARS.

12 (11) THE BOARD IS DISSOLVED ON JANUARY 1, 2023.

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

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

27 (3) THE BOARD SHALL ADOPT A PLAN OF OPERATION BY A MAJORITY

1 VOTE OF THE BOARD. VACANCIES ON THE BOARD SHALL BE FILLED IN
2 ACCORDANCE WITH THE PLAN OF OPERATION.

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

14 (A) TO CONSIDER THE HIRING, DISMISSAL, SUSPENSION,
15 DISCIPLINING, OR EVALUATION OF OFFICERS OR EMPLOYEES OF THE
16 AUTHORITY.

17 (B) TO CONSULT WITH ITS ATTORNEY.

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

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

24 (6) THE BOARD SHALL KEEP MINUTES OF EACH BOARD MEETING. THE
25 BOARD SHALL MAKE THE MINUTES OPEN TO PUBLIC INSPECTION AND
26 AVAILABLE AT THE ADDRESS DESIGNATED ON THE PUBLIC NOTICE OF ITS
27 MEETINGS. THE BOARD SHALL MAKE COPIES OF THE MINUTES AVAILABLE TO

1 THE PUBLIC AT THE REASONABLE ESTIMATED COST FOR PRINTING AND
2 COPYING. THE BOARD SHALL INCLUDE ALL OF THE FOLLOWING IN THE
3 MINUTES:

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

5 (B) THE NAMES OF BOARD MEMBERS WHO ARE PRESENT AND BOARD
6 MEMBERS WHO ARE ABSENT.

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

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

10 SEC. 6304. ON JANUARY 1, 2023, THE AUTHORITY IS DISSOLVED.

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

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

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

19 (C) MAKE GRANTS AND INVESTMENTS.

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

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

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

27 (G) INDEMNIFY AND PROCURE INSURANCE INDEMNIFYING ANY MEMBER OF

1 THE BOARD FOR PERSONAL LOSS OR ACCOUNTABILITY RESULTING FROM THE
2 MEMBER'S ACTION OR INACTION AS A MEMBER OF THE BOARD.

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

7 SEC. 6307. (1) AN INSURER OR SELF-INSURER ENGAGED IN WRITING
8 INSURANCE COVERAGES THAT PROVIDE THE SECURITY REQUIRED BY SECTION
9 3101(1) IN THIS STATE MAY PAY TO THE FACILITY, FOR DEPOSIT INTO THE
10 ACCOUNT OF THE AUTHORITY, MONEY TO BE USED BY THE AUTHORITY TO
11 CARRY OUT ITS DUTIES UNDER THIS CHAPTER.

12 (2) THE FACILITY SHALL SEGREGATE ALL MONEY RECEIVED UNDER THE
13 VEHICLE INSURANCE VERIFICATION ACT AND SUBSECTION (1), AND ALL
14 OTHER MONEY RECEIVED BY THE AUTHORITY FOR THE PURPOSE, FROM OTHER
15 MONEY OF THE FACILITY, IF APPLICABLE. THE FACILITY SHALL ONLY
16 EXPEND THE MONEY RECEIVED UNDER SUBSECTION (1) AS DIRECTED BY THE
17 BOARD.

18 SEC. 6308. (1) AN INSURER AUTHORIZED TO TRANSACT AUTOMOBILE
19 INSURANCE IN THIS STATE, AS A CONDITION OF ITS AUTHORITY TO
20 TRANSACT INSURANCE IN THIS STATE, SHALL REPORT AUTOMOBILE INSURANCE
21 FRAUD DATA TO THE AUTHORITY USING THE FORMAT AND PROCEDURES ADOPTED
22 BY THE BOARD.

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

26 (3) THE BOARD SHALL DEVELOP PERFORMANCE METRICS THAT ARE
27 CONSISTENT, CONTROLLABLE, MEASURABLE, AND ATTAINABLE. THE BOARD

1 SHALL USE THE METRICS EACH YEAR TO EVALUATE NEW APPLICATIONS
2 SUBMITTED FOR FUNDING CONSIDERATION AND TO RENEW FUNDING FOR
3 EXISTING PROGRAMS.

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

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

1 LEGISLATURE REQUIRED BY THIS SECTION TO THE SENATE AND HOUSE OF
2 REPRESENTATIVES STANDING COMMITTEES WITH PRIMARY JURISDICTION OVER
3 INSURANCE ISSUES AND THE DIRECTOR.

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

6 Enacting section 2. This amendatory act does not take effect
7 unless House Bill No. 4622 of the 99th Legislature is enacted into
8 law.