

SENATE BILL NO. 793

March 14, 2024, Introduced by Senators CAVANAGH, BAYER, POLEHANKI, SHINK, GEISS, MCBROOM, RUNESTAD, WOJNO, MCCANN, IRWIN, KLINEFELT and CHANG and referred to the Committee on Finance, Insurance, and Consumer Protection.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 134 and 3104 (MCL 500.134 and 500.3104), section 134 as amended by 1990 PA 256 and section 3104 as amended by 2019 PA 21.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 134. (1) Every certificate of authority or license in
2 force immediately ~~prior to~~ **before** January 1, 1957 and existing
3 under any act repealed by this act is valid until its original
4 expiration date, unless earlier terminated in accordance with this

1 act.

2 (2) Any plan of operation adopted by an association or
3 facility, and any premium or assessment levied against an insurer
4 member of that association or facility, is ~~hereby validated~~ **valid**
5 retroactively to the date of its original adoption or levy and
6 ~~shall continue~~ **continues** in force and effect according to the terms
7 of the plan of operation, premium, or assessment until otherwise
8 changed by the ~~commissioner~~ **director** or the board of directors of
9 the association or facility pursuant to this act.

10 (3) An association or facility or the board of directors of
11 the association or facility is not a state agency and the money of
12 an association or facility is not state money.

13 (4) ~~A~~ **Except as otherwise provided in section 3104, a** record
14 of an association or facility ~~shall be exempted~~ **is exempt** from
15 disclosure ~~pursuant to~~ **under** section 13 of the freedom of
16 information act, ~~Act No. 442 of the Public Acts of 1976, being~~
17 ~~section 15.243 of the Michigan Compiled Laws~~ **1976 PA 442, MCL**
18 **15.243.**

19 (5) Any premium or assessment levied by an association or
20 facility, or any premium or assessment of a similar association or
21 facility formed under a law in force outside this state, is not a
22 burden or special burden for purposes of a calculation under
23 section 476a, and any premium or assessment paid to an association
24 or facility shall not be included in determining the aggregate
25 amount a foreign insurer pays to the ~~commissioner~~ **department of**
26 **treasury** under section 476a.

27 (6) As used in this section, "association or facility" means
28 an association of insurers created under this act and any other
29 association or facility formed under this act as a nonprofit

1 organization of insurer members, including, but not limited to, the
2 following:

3 (a) The Michigan worker's compensation placement facility
4 created under chapter 23.

5 (b) The Michigan basic property insurance association created
6 under ~~section~~**chapter** 29.

7 (c) The catastrophic claims association created under chapter
8 31.

9 (d) The Michigan automobile insurance placement facility
10 created under chapter 33.

11 (e) The Michigan life and health insurance guaranty
12 association created under chapter 77.

13 (f) The property and casualty guaranty association created
14 under chapter 79.

15 (g) The assigned claims facility created under section 3171.

16 Sec. 3104. (1) The catastrophic claims association is created
17 as an unincorporated, nonprofit association. Each insurer engaged
18 in writing insurance coverages that provide the security required
19 by section ~~3101(1)~~**3101** in this state, as a condition of its
20 authority to transact insurance in this state, shall be a member of
21 the association and is bound by the plan of operation of the
22 association. An insurer engaged in writing insurance coverages that
23 provide the security required by section 3103(1) in this state, as
24 a condition of its authority to transact insurance in this state,
25 is considered to be a member of the association, but only for
26 purposes of premiums under subsection (7)(d). Except as expressly
27 provided in this section, the association is not subject to any
28 laws of this state with respect to insurers, but in all other
29 respects the association is subject to the laws of this state to

1 the extent that the association would be if it were an insurer
2 organized and subsisting under chapter 50.

3 (2) For all motor vehicle accident policies issued or renewed
4 before July 2, 2020 and for a motor vehicle accident policy issued
5 or renewed after July 1, 2020 to which section 3107c(1)(d) applies,
6 the association shall provide and each member shall accept
7 indemnification for 100% of the amount of ultimate loss sustained
8 under personal protection insurance coverages in excess of the
9 following amounts in each loss occurrence:

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

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

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

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

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

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

22 (g) For a motor vehicle accident policy issued or renewed
23 during the period July 1, 2007 to June 30, 2008, \$420,000.00.

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

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

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

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

3 (l) For a motor vehicle accident policy issued or renewed
4 during the period July 1, 2013 to June 30, 2015, \$530,000.00.

5 (m) For a motor vehicle accident policy issued or renewed
6 during the period July 1, 2015 to June 30, 2017, \$545,000.00.

7 (n) For a motor vehicle accident policy issued or renewed
8 during the period July 1, 2017 to June 30, 2019, \$555,000.00.

9 (o) For a motor vehicle accident policy issued or renewed
10 during the period July 1, 2019 to June 30, 2021, \$580,000.00.

11 **(p) For a motor vehicle accident policy issued or renewed**
12 **during the period July 1, 2021 to June 30, 2023, \$600,000.00.**

13 **(q) For a motor vehicle accident policy issued or renewed**
14 **during the period July 1, 2023 to June 30, 2025, \$635,000.00.**

15 Beginning July 1, ~~2021, 2025~~, this ~~\$580,000.00~~ **\$635,000.00** amount
16 must be increased biennially on July 1 of each odd-numbered year,
17 for policies issued or renewed before July 1 of the following odd-
18 numbered year, by the lesser of 6% or the Consumer Price Index, and
19 rounded to the nearest \$5,000.00. The association shall calculate
20 this biennial adjustment by January 1 of the year of its July 1
21 effective date.

22 (3) An insurer may withdraw from the association only on
23 ceasing to write insurance that provides the security required by
24 section ~~3101(1)~~ **3101** in this state.

25 (4) An insurer whose membership in the association has been
26 terminated by withdrawal continues to be bound by the plan of
27 operation, and on withdrawal, all unpaid premiums that have been
28 charged to the withdrawing member are payable as of the effective
29 date of the withdrawal.

1 (5) An unsatisfied net liability to the association of an
2 insolvent member must be assumed by and apportioned among the
3 remaining members of the association as provided in the plan of
4 operation. The association has all rights allowed by law on behalf
5 of the remaining members against the estate or funds of the
6 insolvent member for money due the association.

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

12 (7) The association shall do all of the following on behalf of
13 the members of the association:

14 (a) Assume 100% of all liability as provided in subsection
15 (2).

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

25 (c) Maintain relevant loss and expense data relating to all
26 liabilities of the association and require each member to furnish
27 statistics, in connection with liabilities of the association, at
28 the times and in the form and detail as required by the plan of
29 operation.

1 (d) In a manner provided for in the plan of operation, **and**
2 **subject to the director's approval**, calculate and charge to members
3 of the association a total premium sufficient to cover the expected
4 losses and expenses of the association that the association will
5 likely incur during the period for which the premium is applicable.
6 The total premium must include an amount to cover incurred but not
7 reported losses for the period and must be adjusted for any excess
8 or deficient premiums from previous periods. Excesses or
9 deficiencies from previous periods must either be fully adjusted in
10 a single period or be adjusted over several periods in a manner
11 provided for in the plan of operation. **The director may disapprove**
12 **any total premium amount or any other amount, including a deficit**
13 **recoupment amount, that the director considers to be excessive,**
14 **inadequate, or unfairly discriminatory.** Each member must be charged
15 an amount equal to that member's total written car years of
16 insurance providing the security required by section ~~3101(1)~~**3101**
17 or 3103(1), or both, written in this state during the period to
18 which the premium applies, with the total written car years of
19 insurance multiplied by the applicable average premium per car. The
20 average premium per car is the total premium, as adjusted for any
21 excesses or deficiencies, divided by the total written car years of
22 insurance providing the security required by section ~~3101(1)~~**3101**
23 or 3103(1), or both, written in this state of all members during
24 the period to which the premium applies, excluding cars insured
25 under a policy with a coverage limit under section 3107c(1) (a),
26 (b), or (c), cars as to which an election to not maintain personal
27 protection insurance benefits has been made under section 3107d, or
28 as to which an exclusion under section 3109a(2) applies. ~~except~~
29 ~~for any portion of total premium that is an adjustment for a~~

1 ~~deficiency in a previous period.~~ A member may not be charged a
2 premium for a car insured under a policy with a coverage limit
3 under section 3107c(1)(a), (b), or (c), as to which an election to
4 not maintain personal protection insurance benefits has been made
5 under section 3107d, or as to which an exclusion under section
6 3109a(2) applies. ~~, other than for the portion of the total premium~~
7 ~~attributable to an adjustment for a deficiency in a previous~~
8 ~~period.~~ A member must be charged a premium for a historic vehicle
9 that is insured with the member of 20% of the premium charged for a
10 car insured with the member.

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

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

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

18 (f) Receive and distribute all money required by the operation
19 of the association.

20 (g) Establish procedures for reviewing claims procedures and
21 practices of members of the association. If the claims procedures
22 or practices of a member are considered inadequate to properly
23 service the liabilities of the association, the association may
24 undertake or may contract with another person, including another
25 member, to adjust or assist in the adjustment of claims for the
26 member on claims that create a potential liability to the
27 association and may charge the cost of the adjustment to the
28 member.

29 (h) **Cooperate with the department of treasury to allow the**

1 **department of treasury to manage the investment of all money held**
2 **by the association.**

3 (i) ~~(h)~~—Provide any records necessary or requested by the
4 director for the actuarial examination under subsection (21).

5 (j) ~~(i)~~—Subject to subsection (23), obey an order of the
6 director for a refund under subsection (22).

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

9 (a) Sue and be sued in the name of the association. A judgment
10 against the association does not create any direct liability
11 against the individual members of the association. The association
12 may provide for the indemnification of its members, members of the
13 board of directors of the association, and officers, employees, and
14 other persons lawfully acting on behalf of the association.

15 (b) Reinsure all or any portion of its potential liability
16 with reinsurers licensed to transact insurance in this state or
17 approved by the director.

18 (c) Provide for appropriate housing, equipment, and personnel
19 as necessary to assure the efficient operation of the association.

20 (d) Pursuant to the plan of operation, adopt reasonable rules
21 for the administration of the association, enforce those rules, and
22 delegate authority, as the board considers necessary to assure the
23 proper administration and operation of the association consistent
24 with the plan of operation.

25 (e) Contract for goods and services, including independent
26 claims management, actuarial, ~~investment,~~ and legal services, from
27 others in or outside of this state to assure the efficient
28 operation of the association.

29 (f) Hear and determine complaints of a company or other

1 interested party concerning the operation of the association.

2 (g) Perform other acts not specifically enumerated in this
3 section that are necessary or proper to accomplish the purposes of
4 the association and that are not inconsistent with this section or
5 the plan of operation.

6 (9) A board of directors is created and shall operate the
7 association consistent with the plan of operation and this section.

8 (10) The plan of operation must provide for all of the
9 following:

10 (a) The establishment of necessary facilities.

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

12 (c) Procedures to be utilized in charging premiums, including
13 adjustments from excess or deficient premiums from prior periods.
14 The plan must require that any deficiency from a prior period be
15 amortized over not fewer than 15 years.

16 (d) Procedures for a refund to members of the association, for
17 distribution to insureds as provided in subsection (24), as ordered
18 by the director under subsection (22). The procedures must provide
19 for a distribution of a refund attributable to a historic vehicle
20 equal to 20% of the refund for a car that is not a historic
21 vehicle.

22 (e) Procedures governing the actual payment of premiums to the
23 association.

24 (f) Reimbursement of each member of the board by the
25 association for actual and necessary expenses incurred on
26 association business.

27 ~~(g) The investment policy of the association.~~

28 (g) ~~(h)~~ Any other matters required by or necessary to
29 effectively implement this section.

1 (11) The board must include members that would contribute a
2 total of not less than 40% of the total premium calculated under
3 subsection (7) (d). Each board member is entitled to 1 vote. The
4 initial term of office of a board member is 2 years.

5 (12) As part of the plan of operation, the board shall adopt
6 rules providing for the composition of the board and the terms of
7 board members, consistent with the membership composition
8 requirements in subsections (11) and (13). Terms of the board
9 members must be staggered so that the terms of all the board
10 members do not expire at the same time and so that a board member
11 does not serve a term of more than 4 years.

12 (13) The board must consist of ~~5~~**10 voting** board members, ~~and~~
13 ~~the~~**as follows:**

14 **(a) The director, who shall serve as an ex officio member of**
15 **the board. ~~without vote.~~**

16 **(b) Five members that include the members that meet the**
17 **contribution requirements of subsection (11).**

18 **(c) Two members representing motor vehicle operators in this**
19 **state.**

20 **(d) One member representing individuals who have sustained**
21 **injuries covered by personal protection insurance.**

22 **(e) One member representing physicians, hospitals, clinics, or**
23 **other persons that render treatment or rehabilitative occupational**
24 **training to individuals who have sustained injuries covered by**
25 **personal protection insurance.**

26 (14) The director shall appoint the board members. **The**
27 **director shall appoint the members under subsection (13) (c) to (e)**
28 **not later than 3 months after the effective date of the amendatory**
29 **act that added this sentence.** A board member shall serve until his

1 or her successor is selected and qualified. The board shall elect
 2 the chairperson of the board. The director shall fill any vacancy
 3 on the board as provided in the plan of operation.

4 (15) The board shall meet as often as the chairperson, the
 5 director, or the plan of operation requires, or at the request of
 6 any ~~3-5~~ board members. The chairperson may vote on all issues. ~~Four~~
 7 **Six** board members constitute a quorum.

8 (16) The board shall furnish to each member of the association
 9 an annual report of the operations of the association in a form and
 10 detail as determined by the board.

11 (17) Any amendments to the plan of operation are subject to
 12 majority approval by the board, ratification by a majority of the
 13 membership of the association having a vote, with voting rights
 14 being apportioned according to the premiums charged in subsection
 15 (7) (d), and approval by the director.

16 (18) An insurer authorized to write insurance providing the
 17 security required by section ~~3101(1)~~-**3101** in this state, as
 18 provided in this section, is bound by and shall formally subscribe
 19 to and participate in the plan of operation as a condition of
 20 maintaining its authority to transact insurance in this state.

21 (19) The association is subject to all the reporting ~~, and~~
 22 loss reserve ~~, and investment~~ requirements of the director to the
 23 same extent as is a member of the association.

24 (20) Premiums charged members by the association must be
 25 recognized in the rate-making procedures for insurance rates in the
 26 same manner that expenses and premium taxes are recognized. If a
 27 member of the association passes on any portion of the premium
 28 payable under this section to an insured, the amount passed on must
 29 equal the portion of the premium payable by the member under this

1 section attributable to the car or historic vehicle insured,
2 including any adjustments for excesses or deficiencies from a
3 previous period.

4 (21) The director or an authorized representative of the
5 director may visit the association at any time and examine any and
6 all of the association's affairs. Beginning July 1, 2022, and ~~every~~
7 ~~third year~~ **annually** after 2022, the director shall engage 1 or more
8 independent actuaries to examine the affairs and records of the
9 association for the previous ~~3 years~~ **year**. The actuarial
10 examination must be conducted using sound actuarial principles
11 consistent with the applicable statements of principles and the
12 code of professional conduct adopted by the Casualty Actuarial
13 Society. By September 1, 2022 and by September 1 of every third
14 year after 2022, the director shall provide a report to the
15 legislature on the results of the audit conducted under this
16 subsection.

17 (22) If the actuarial examination under subsection (21) shows
18 that the assets of the association exceed 120% of its liabilities,
19 including incurred but not reported liabilities, and if the refund
20 will not threaten the association's ongoing ability to provide
21 reimbursements for personal protection insurance benefits based on
22 sound actuarial principles consistent with the applicable
23 statements of principles and the code of professional conduct
24 adopted by the Casualty Actuarial Society, the director shall order
25 the association to refund an amount equal to the difference between
26 the total ~~excess~~ **assets** and 120% of the liabilities of the
27 association, including incurred but not reported liabilities, under
28 subsection (10) (d) and order the members of the association to
29 distribute the refunds under subsection (24).

1 (23) Within 30 days after receiving an order from the director
2 under subsection (22), the association may request a hearing to
3 review the order by filing a written request with the director. The
4 department shall conduct the review as a contested case under the
5 administrative procedures act of 1969, 1969 PA 306, MCL 24.201 to
6 24.328.

7 (24) A member of the association shall distribute any refund
8 it receives under subsection (10)(d) to the persons that it insures
9 under policies that provide the security required under section
10 ~~3101(1)~~**3101** or 3103(1), or both, and that are subject to a premium
11 under this section on a uniform basis per car and historic vehicle
12 in a manner and on the date or dates provided by the director in
13 accordance with an order issued by the director. A refund
14 attributable to a historic vehicle must be equal to 20% of the
15 refund for a car that is not a historic vehicle.

16 (25) By September 1 of each year, the association shall
17 prepare, submit to the committees of the senate and house of
18 representatives with jurisdiction over insurance matters, and post
19 on the association website an annual consumer statement, written in
20 a manner intended for the general public. The statement must
21 include all of the following:

22 (a) The number of claims opened during the preceding 12
23 months, the amount expended on the claims, and the future
24 anticipated costs of the claims.

25 (b) For each of the preceding 10 years, the total number of
26 open claims, the amount expended on the claims, and the anticipated
27 future costs of the claims.

28 (c) For each of the preceding 10 years, the total number of
29 claims closed and the amount expended on the claims.

1 (d) For each of the preceding 10 years, the ratio of claims
2 opened to claims closed.

3 (e) For each of the preceding 10 years, the average length of
4 open claims.

5 (f) A statement of the current financial condition of the
6 association and the reasons for any deficit or surplus in collected
7 assessments compared to losses.

8 (g) A statement, **from the department of the treasury**, of the
9 assumptions, methodology, and data used to make revenue
10 projections. As used in this subdivision, "revenue" means return on
11 investments.

12 (h) A statement of the assumptions, methodology, and data used
13 to make cost projections.

14 (i) A list, **from the department of the treasury**, of the
15 association's assets, sorted by category or type of asset, such as
16 stocks, bonds, or mutual funds, and the expected return on each
17 asset.

18 (j) The total amount of the association's discounted and
19 undiscounted liabilities and a description and explanation of the
20 liabilities, including an explanation of the association's
21 definition of the terms discounted and undiscounted. **As used in
22 this subdivision, "liabilities" includes any indebtedness.**

23 (k) Measures taken by the association to contain costs.

24 (l) A statement explaining what portion of the assessment to
25 insureds as recognized in rates under subsection (20) is
26 attributable to claims occurring in the previous 12 months,
27 administrative costs, and the amount, if any, to adjust for past
28 deficits.

29 (m) A statement explaining any qualifications identified by

1 the independent auditors in the most recent audit report prepared
2 under subsection (21).

3 (n) A loss payment summary for each of the preceding years by
4 category.

5 (o) For each of the preceding 10 years, an injury type
6 summary, categorizing the injuries suffered by claimants the
7 payment of whose claims are being reimbursed by the association, by
8 brain injuries, injuries resulting in quadriplegia, injuries
9 resulting in paraplegia, burn injuries, and other injuries.

10 (p) A summary of investment returns over the preceding 10
11 years showing the investment balance, the investment gain, and the
12 percentage return on the investment balance.

13 (q) A summary of the mortality assumptions used in making cost
14 projections.

15 (r) A summary of any financial practices that differ from
16 those found in the National Association of Insurance Commissioners
17 Accounting Practices and Procedures Manual.

18 (26) By September 1 of each year, the association shall
19 prepare and provide to the committees of the senate and house of
20 representatives with jurisdiction over insurance matters an annual
21 report of the association. The report must contain all of the
22 following:

23 (a) An executive summary.

24 (b) A discussion of the mortality assumptions used by the
25 association in making cost projections.

26 (c) An evaluation of the accuracy of the association's
27 actuarial assumptions over the preceding 5 years.

28 (d) The annual consumer statement prepared under subsection
29 (25).

1 (e) Anything else the association determines is necessary to
2 advise the legislature about the operations of the association.

3 (27) Annually, within 15 days after the association charges
4 members the total premium under subsection (7) (d), the association
5 shall disclose to the public on its website all data used in
6 computing the premium and expected losses and expenses, including
7 the amount that covers incurred but not reported losses for the
8 period and any adjustment for any excess or deficient premiums from
9 previous periods and the actuarial computation used in making these
10 determinations, including estimates and assumptions. The disclosure
11 must include, but not be limited to, all of the following:

12 (a) The actuarial computation used in making determinations of
13 unpaid losses and loss adjustment expenses.

14 (b) All documents used in establishing the following:

15 (i) The calculation of the present value of disbursements
16 expected to be made in the ultimate settlement of the claims
17 reported.

18 (ii) The actuarial tables used to reflect the probabilities of
19 each claimant surviving to incur the costs projected.

20 (iii) The calculation of incurred but not reported losses.

21 (iv) The actuarial assumptions and calculations used in
22 producing the short-term discount rate and the long-term discount
23 rate.

24 (v) The forecasts producing the economic assumptions for claim
25 cost inflation and investment returns used.

26 (vi) The current economic data and historical long-term
27 Consumer Price Index data for any cost component categories used in
28 producing inflation assumptions.

29 (vii) Any loss development factor or any other loss development

1 analysis used to calculate, estimate, or set the premium, or that
2 in any way impacts the actuarial determination of the plan of
3 operation.

4 (viii) Any loss trends, including both frequency and severity
5 trends, or any other loss trend analysis used to calculate,
6 estimate, or set the premium, or that in any way impacts the
7 actuarial determination of the plan of operation.

8 (c) The annual actuarial evaluation used in establishing the
9 premium.

10 (d) The annual assessment reports of members used in
11 establishing the premium.

12 (e) The annuity model used by the opining actuary in his or
13 her actuarial opinion projecting future payment streams at the
14 claimant level and the mortality adjustment applied.

15 (f) Any explanatory memorandum explaining the various
16 components of the premium and the judgments made to produce the
17 premium.

18 (28) ~~(27)~~—The association does not have liability for losses
19 occurring before July 1, 1978. After July 1, 2020, the association
20 does not have liability for an ultimate loss under personal
21 protection insurance coverage for a motor vehicle accident policy
22 to which a limit under section 3107c(1)(a), (b), or (c) is
23 applicable.

24 (29) The board shall conduct its business at a public meeting
25 of the board held in compliance with the open meetings act, 1976 PA
26 267, MCL 15.261 to 15.275.

27 (30) A writing prepared, owned, used, in the possession of, or
28 retained by the board in the performance of an official function is
29 subject to disclosure under the freedom of information act, 1976 PA

1 442, MCL 15.231 to 15.246, as if the board were a public body
2 subject to that act.

3 (31) ~~(28)~~—As used in this section:

4 (a) "Association" means the catastrophic claims association
5 created in subsection (1).

6 (b) "Board" means the board of directors of the association
7 created in subsection (9).

8 (c) "Car" includes a motorcycle but does not include a
9 historic vehicle.

10 (d) "Consumer Price Index" means the percentage of change in
11 the Consumer Price Index for all urban consumers in the United
12 States city average for all items for the 24 months before October
13 1 of the year before the July 1 effective date of the biennial
14 adjustment under subsection (2) (o) as reported by the United States
15 Department of Labor, Bureau of Labor Statistics, and as certified
16 by the director.

17 (e) "Historic vehicle" means a vehicle that is a registered
18 historic vehicle under section 803a or 803p of the Michigan vehicle
19 code, 1949 PA 300, MCL 257.803a and 257.803p.

20 (f) "Motor vehicle accident policy" means a policy providing
21 the coverages required under section ~~3101(1)~~.**3101**.

22 (g) "Ultimate loss" means the actual loss amounts that a
23 member is obligated to pay and that are paid or payable by the
24 member, and do not include claim expenses. An ultimate loss is
25 incurred by the association on the date that the loss occurs.

26 Enacting section 1. This amendatory act does not take effect
27 unless Senate Bill No. 794 of the 102nd Legislature is enacted into
28 law.