

House Bill 5723  
(As amended May 21, 1998)

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
(MCL 500.100 to 500.8302) by adding section 2111f.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

- 1        SEC. 2111F. (1) BY [AUGUST] 1, 1998, AN AUTOMOBILE INSURER  
2 SHALL REBATE [BY CASH OR CHECK] TO ITS MICHIGAN INSUREDS THE MONEY  
   RECEIVED IN 1998  
3 FROM THE CATASTROPHIC CLAIMS ASSOCIATION PLAN TO REDUCE ITS  
4 SURPLUS. THE AUTOMOBILE INSURER SHALL DISTRIBUTE THE MONEY  
5 RECEIVED TO EACH OF ITS INSUREDS ON A UNIFORM BASIS PER [CAR  
6 INSURED BY THAT INSURER ON THE DATE SPECIFIED BY RESOLUTION BY THE  
   CATASTROPHIC CLAIMS ASSOCIATION BOARD.] BY JUNE [15], 1998, EACH  
   AUTOMOBILE INSURER SHALL FILE IN  
7 WRITING WITH THE COMMISSIONER THE INSURER'S PLAN TO DISTRIBUTE  
8 THE MONEY. [AN AUTOMOBILE INSURER SHALL NOT REBATE TO ITS MICHIGAN  
   INSUREDS THE MONEY RECEIVED IN 1998 FROM THE CATASTROPHIC CLAIMS  
   ASSOCIATION BY WAY OF A PREMIUM CREDIT.  
   (2) AN AUTOMOBILE INSURER THAT FAILS TO REBATE THE MONEY  
   RECEIVED UNDER SUBSECTION (1) TO ITS INSUREDS BY AUGUST 1, 1998  
   SHALL PAY SIMPLE INTEREST OF 12% PER ANNUM ON THE PAYMENT TO ITS  
   INSUREDS. THE INTEREST SHALL ACCRUE FROM JULY 1, 1998 TO THE DATE  
   THE REBATE IS MAILED. ALL REBATES ISSUED AS CHECKS SHALL BE MAILED  
   BY OCTOBER 1, 1998.]  
9        [(3)] AS USED IN THIS SECTION:  
10        (A) "CAR" MEANS THAT TERM AS USED IN SECTION 3104(7)(D).

1           (B) "CATASTROPHIC CLAIMS ASSOCIATION" MEANS THE CATASTROPHIC  
2 CLAIMS ASSOCIATION CREATED IN SECTION 3104.