

**SUBSTITUTE FOR  
HOUSE BILL NO. 4915**

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending sections 3009, 3037, 3101, 3113, and 3114 (MCL  
500.3009, 500.3037, 500.3101, 500.3113, and 500.3114), section 3009  
as amended by 2019 PA 22, section 3037 as amended by 2016 PA 346,  
and sections 3101, 3113, and 3114 as amended by 2019 PA 21, and by  
adding section 3018.

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

1       Sec. 3009. (1) Subject to subsections (5) to (8), an  
2       automobile liability or motor vehicle liability policy that insures  
3       against loss resulting from liability imposed by law for property  
4       damage, bodily injury, or death suffered by any person arising out  
5       of the ownership, maintenance, or use of a motor vehicle must not



1 be delivered or issued for delivery in this state with respect to  
2 any motor vehicle registered or principally garaged in this state  
3 unless the liability coverage is subject to all of the following  
4 limits:

5 (a) Before July 2, 2020, a limit, exclusive of interest and  
6 costs, of not less than \$20,000.00 because of bodily injury to or  
7 death of 1 person in any 1 accident, and after July 1, 2020, a  
8 limit, exclusive of interest and costs, of not less than  
9 \$250,000.00 because of bodily injury to or death of 1 person in any  
10 1 accident.

11 (b) Before July 2, 2020 and subject to the limit for 1 person  
12 in subdivision (a), a limit of not less than \$40,000.00 because of  
13 bodily injury to or death of 2 or more persons in any 1 accident,  
14 and after July 1, 2020, and subject to the limit for 1 person in  
15 subdivision (a), a limit of not less than \$500,000.00 because of  
16 bodily injury to or death of 2 or more persons in any 1 accident.

17 (c) A limit of not less than \$10,000.00 because of injury to  
18 or destruction of property of others in any accident.

19 (2) If authorized by the insured, automobile liability or  
20 motor vehicle liability coverage may be excluded when a vehicle is  
21 operated by a named person. An exclusion under this subsection is  
22 not valid unless the following notice is on the face of the policy  
23 or the declaration page or certificate of the policy and on the  
24 certificate of insurance:

25 Warning—when a named excluded person operates a vehicle all  
26 liability coverage is void—no one is insured. Owners of the vehicle  
27 and others legally responsible for the acts of the named excluded  
28 person remain fully personally liable.

29 (3) A liability policy described in subsection (1) may exclude



1 coverage for liability as provided in section 3017 **or 3018.**

2 (4) If an insurer deletes coverages from an automobile  
3 insurance policy under section 3101, the insurer shall send  
4 documentary evidence of the deletion to the insured.

5 (5) After July 1, 2020, an applicant for or named insured in  
6 the automobile liability or motor vehicle liability policy  
7 described in subsection (1) may choose to purchase lower limits  
8 than required under subsection (1)(a) and (b), but not lower than  
9 \$50,000.00 under subsection (1)(a) and \$100,000.00 under subsection  
10 (1)(b). To exercise an option under this subsection, the person  
11 shall complete a form issued by the director and provided as  
12 required by section 3107e, that meets the requirements of  
13 subsection (7).

14 (6) After July 1, 2020, on application for the issuance of a  
15 new policy or renewal of an existing policy, an insurer shall do  
16 all of the following:

17 (a) Provide the applicant or named insured the liability  
18 options available under this section.

19 (b) Provide the applicant or named insured a price for each  
20 option available under this section.

21 (c) Offer the applicant or named insured the option and form  
22 under this subsection.

23 (7) The form required under subsection (5) must do all of the  
24 following:

25 (a) State, in a conspicuous manner, the risks of choosing  
26 liability limits lower than those required by subsection (1)(a) and  
27 (b).

28 (b) Provide a way for the person to mark the form to  
29 acknowledge that he or she has received a list of the liability



options available under this section and the price for each option.

(c) Provide a way for the person to mark the form to acknowledge that he or she has read the form and understands the risks of choosing the lower liability limits.

(d) Allow the person to sign the form.

(8) After July 1, 2020, if an insurance policy is issued or renewed as described in subsection (1) and the person named in the policy has not made an effective choice under subsection (5), the limits under subsection (1)(a) and (b) apply to the policy.

**Sec. 3018. (1) An authorized insurer that writes automobile insurance in this state may exclude any coverage and the duty to defend or indemnify for any claim afforded under a shared vehicle owner's automobile insurance policy, including, but not limited to, all of the following:**

(a) Liability coverage for bodily injury and property damage.

(b) Personal injury protection coverage.

(c) Uninsured and underinsured motorist coverage.

(d) Comprehensive physical damage coverage.

(e) Collision physical damage coverage.

(2) As used in this section, "shared vehicle owner" means that term as defined in section 3 of the peer-to-peer car sharing program act.

**Sec. 3037. (1)** At the time a new applicant for the insurance required by section 3101 for a private passenger nonfleet automobile makes an initial written application to the insurer, an insurer shall offer both of the following collision coverages to the applicant:

(a) Limited collision coverage, which must pay for collision damage to the insured vehicle without a deductible amount if the



1 operator of the vehicle is not substantially at fault in the  
2 accident from which the damage arose.

3 (b) Broad form collision coverage, which must pay for  
4 collision damage to the insured vehicle regardless of fault, with  
5 deductibles in the amounts as approved by the director, which  
6 deductibles must be waived if the operator of the vehicle is not  
7 substantially at fault in the accident from which the damage arose.

8 (2) In addition to the coverages offered under subsection (1),  
9 standard and limited collision coverage may be offered with  
10 deductibles as approved by the director.

11 (3) An insurer may limit collision coverage offered under this  
12 section as provided in section 3017 **or 3018**.

13 (4) If the applicant is required by the insurer to sign the  
14 written application form described in subsection (1), and if the  
15 applicant chooses to reject both of the collision coverages, or  
16 limited collision without a deductible, offered under subsection  
17 (1), the rejection must be made in writing, either on a separate  
18 form, as part of the application, or in some combination of these,  
19 as approved by the director. The rejection statement must inform  
20 the applicant of his or her rights if there is damage to the  
21 insured vehicle under the alternative coverage option selected.

22 (5) If a written application is made by mail, and if the  
23 applicant fails to sign or return a written rejection statement as  
24 required by subsection (4), the requirements of subsection (4) are  
25 considered to be satisfied with respect to the insurer if all of  
26 the following occur:

27 (a) The application provides the applicant with an opportunity  
28 to select the coverages required to be offered under subsection  
29 (1).



(b) The applicant is requested to sign the rejection statement, either as part of the application or as a separate form issued with the application, if the applicant fails to select either of the coverages specified in subsection (1).

(c) The applicant signed the application as otherwise required by the insurer.

(6) At the time of the initial written application described in subsection (1), an agent or insurer shall provide the applicant with a written explanation of collision coverage options in easily understandable language, if that information is not contained in the application form.

(7) At least annually in conjunction with the renewal of a private passenger nonfleet automobile insurance policy, or at the time of an addition, deletion, or substitution of a vehicle under an existing policy, other than a group policy, an insurer shall inform the policyholder, on a form approved by the director, of all of the following:

(a) The current status of collision coverage, if any, for the vehicle or vehicles affected by the renewal or change and the rights of the insured under the current coverage if the vehicle is damaged.

(b) The collision coverages available under the policy and the rights of the insured under each collision option if the vehicle is damaged.

(c) Procedures for the policyholder to follow if he or she wishes to change the current collision coverage.

(8) As used in this section:

(a) "Collision damage" does not include losses customarily insured under comprehensive coverages.



(b) "Substantially at fault" means a person's action or inaction was more than 50% of the cause of the accident.

Sec. 3101. (1) Except as provided in sections 3107d and 3109a, the owner or registrant of a motor vehicle required to be registered in this state shall maintain security for payment of benefits under personal protection insurance and property protection insurance as required under this chapter, and residual liability insurance. Security is only required to be in effect during the period the motor vehicle is driven or moved on a highway.

(2) Except as provided in section 3107d, all automobile insurance policies offered in this state must include benefits under personal protection insurance, and property protection insurance as provided in this chapter, and residual liability insurance. Notwithstanding any other provision in this act, an insurer that has issued an automobile insurance policy may only delete portions of the coverages under the policy and maintain the comprehensive coverage portion on a motor vehicle that is not driven or moved on a highway in accordance with section 3009(4).

(3) As used in this chapter:

(a) "Automobile insurance" means that term as defined in section 2102.

(b) "Commercial quadricycle" means a vehicle to which all of the following apply:

(i) The vehicle has fully operative pedals for propulsion entirely by human power.

(ii) The vehicle has at least 4 wheels and is operated in a manner similar to a bicycle.

(iii) The vehicle has at least 6 seats for passengers.



1 (iv) The vehicle is designed to be occupied by a driver and  
2 powered either by passengers providing pedal power to the drive  
3 train of the vehicle or by a motor capable of propelling the  
4 vehicle in the absence of human power.

5 (v) The vehicle is used for commercial purposes.

6 (vi) The vehicle is operated by the owner of the vehicle or an  
7 employee of the owner of the vehicle.

8 (c) "Electric bicycle" means that term as defined in section  
9 13e of the Michigan vehicle code, 1949 PA 300, MCL 257.13e.

10 (d) "Golf cart" means a vehicle designed for transportation  
11 while playing the game of golf.

12 (e) "Highway" means highway or street as that term is defined  
13 in section 20 of the Michigan vehicle code, 1949 PA 300, MCL  
14 257.20.

15 (f) "Moped" means that term as defined in section 32b of the  
16 Michigan vehicle code, 1949 PA 300, MCL 257.32b.

17 (g) "Motorcycle" means a vehicle that has a saddle or seat for  
18 the use of the rider, is designed to travel on not more than 3  
19 wheels in contact with the ground, and is equipped with a motor  
20 that exceeds 50 cubic centimeters piston displacement. For purposes  
21 of this subdivision, the wheels on any attachment to the vehicle  
22 are not considered as wheels in contact with the ground. Motorcycle  
23 does not include a moped or an ORV.

24 (h) "Motorcycle accident" means a loss that involves the  
25 ownership, operation, maintenance, or use of a motorcycle as a  
26 motorcycle, but does not involve the ownership, operation,  
27 maintenance, or use of a motor vehicle as a motor vehicle.

28 (i) "Motor vehicle" means a vehicle, including a trailer, that  
29 is operated or designed for operation on a public highway by power





1 other than muscular power and has more than 2 wheels. Motor vehicle  
2 does not include any of the following:

3 (i) A motorcycle.

4 (ii) A moped.

5 (iii) A farm tractor or other implement of husbandry that is not  
6 subject to the registration requirements of the Michigan vehicle  
7 code under section 216 of the Michigan vehicle code, 1949 PA 300,  
8 MCL 257.216.

9 (iv) An ORV.

10 (v) A golf cart.

11 (vi) A power-driven mobility device.

12 (vii) A commercial quadricycle.

13 (viii) An electric bicycle.

14 (j) "Motor vehicle accident" means a loss that involves the  
15 ownership, operation, maintenance, or use of a motor vehicle as a  
16 motor vehicle regardless of whether the accident also involves the  
17 ownership, operation, maintenance, or use of a motorcycle as a  
18 motorcycle.

19 (k) "ORV" means a motor-driven recreation vehicle designed for  
20 off-road use and capable of cross-country travel without benefit of  
21 road or trail, on or immediately over land, snow, ice, marsh,  
22 swampland, or other natural terrain. ORV includes, but is not  
23 limited to, a multitrack or multiwheel drive vehicle, a motorcycle  
24 or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious  
25 machine, a ground effect air cushion vehicle, an ATV as defined in  
26 section 81101 of the natural resources and environmental protection  
27 act, 1994 PA 451, MCL 324.81101, or other means of transportation  
28 deriving motive power from a source other than muscle or wind. ORV  
29 does not include a vehicle described in this subdivision that is



1 registered for use on a public highway and has the security  
2 required under subsection (1) or section 3103 in effect.

3 (l) "Owner" means any of the following:

4 (i) A person renting a motor vehicle or having the use of a  
5 motor vehicle, under a lease or otherwise, for a period that is  
6 greater than 30 days.

7 (ii) A person renting a motorcycle or having the use of a  
8 motorcycle under a lease for a period that is greater than 30 days,  
9 or otherwise for a period that is greater than 30 consecutive days.  
10 A person who borrows a motorcycle for a period that is less than 30  
11 consecutive days with the consent of the owner is not an owner  
12 under this subparagraph.

13 (iii) A person that holds the legal title to a motor vehicle or  
14 motorcycle, other than a person engaged in the business of leasing  
15 motor vehicles or motorcycles that is the lessor of a motor vehicle  
16 or motorcycle under a lease that provides for the use of the motor  
17 vehicle or motorcycle by the lessee for a period that is greater  
18 than 30 days.

19 (iv) A person that has the immediate right of possession of a  
20 motor vehicle or motorcycle under an installment sale contract.

21 (m) "Power-driven mobility device" means a wheelchair or other  
22 mobility device powered by a battery, fuel, or other engine and  
23 designed to be used by an individual with a mobility disability for  
24 the purpose of locomotion.

25 (n) "Registrant" does not include a person engaged in the  
26 business of leasing motor vehicles or motorcycles that is the  
27 lessor of a motor vehicle or motorcycle under a lease that provides  
28 for the use of the motor vehicle or motorcycle by the lessee for a  
29 period that is longer than 30 days.



1 (4) Security required by subsection (1) may be provided under  
2 a policy issued by an authorized insurer that affords insurance for  
3 the payment of benefits described in subsection (1). A policy of  
4 insurance represented or sold as providing security is considered  
5 to provide insurance for the payment of the benefits.

6 (5) Security required by subsection (1) may be provided by any  
7 other method approved by the secretary of state as affording  
8 security equivalent to that afforded by a policy of insurance, if  
9 proof of the security is filed and continuously maintained with the  
10 secretary of state throughout the period the motor vehicle is  
11 driven or moved on a highway. The person filing the security has  
12 all the obligations and rights of an insurer under this chapter.  
13 When the context permits, "insurer" as used in this chapter,  
14 includes a person that files the security as provided in this  
15 section.

16 (6) An insurer that issues a policy that provides the security  
17 required under subsection (1) may exclude coverage under the policy  
18 as provided in section 3017 **or 3018**.

19 Sec. 3113. A person is not entitled to be paid personal  
20 protection insurance benefits for accidental bodily injury if at  
21 the time of the accident any of the following circumstances  
22 existed:

23 (a) The person was willingly operating or willingly using a  
24 motor vehicle or motorcycle that was taken unlawfully, and the  
25 person knew or should have known that the motor vehicle or  
26 motorcycle was taken unlawfully.

27 (b) The person was the owner or registrant of a motor vehicle  
28 or motorcycle involved in the accident with respect to which the  
29 security required by section 3101 or 3103 was not in effect.



(c) The person was not a resident of this state, unless the person owned a motor vehicle that was registered and insured in this state.

(d) The person was operating a motor vehicle or motorcycle as to which he or she was named as an excluded operator as allowed under section 3009(2).

(e) The person was the owner or operator of a motor vehicle for which coverage was excluded under a policy exclusion authorized under section 3017 **or 3018**.

Sec. 3114. (1) Except as provided in subsections (2), (3), ~~and (5), and (9)~~, a personal protection insurance policy described in section ~~3101(1)~~ **3101** applies to accidental bodily injury to the person named in the policy, the person's spouse, and a relative of either domiciled in the same household, if the injury arises from a motor vehicle accident. A personal injury insurance policy described in section 3103(2) applies to accidental bodily injury to the person named in the policy, the person's spouse, and a relative of either domiciled in the same household, if the injury arises from a motorcycle accident. If personal protection insurance benefits or personal injury benefits described in section 3103(2) are payable to or for the benefit of an injured person under his or her own policy and would also be payable under the policy of his or her spouse, relative, or relative's spouse, the injured person's insurer shall pay all of the benefits up to the coverage level applicable under section 3107c to the injured person's policy, and is not entitled to recoupment from the other insurer.

(2) ~~A-Subject to subsection (9)~~, a person who suffers accidental bodily injury while an operator or a passenger of a motor vehicle operated in the business of transporting passengers



1 shall receive the personal protection insurance benefits to which  
2 the person is entitled from the insurer of the motor vehicle. This  
3 subsection does not apply to a passenger in any of the following,  
4 unless the passenger is not entitled to personal protection  
5 insurance benefits under any other policy:

6 (a) A school bus, as defined by the department of education,  
7 providing transportation not prohibited by law.

8 (b) A bus operated by a common carrier of passengers certified  
9 by the department of transportation.

10 (c) A bus operating under a government sponsored  
11 transportation program.

12 (d) A bus operated by or providing service to a nonprofit  
13 organization.

14 (e) A taxicab insured as prescribed in section 3101 or 3102.

15 (f) A bus operated by a canoe or other watercraft, bicycle, or  
16 horse livery used only to transport passengers to or from a  
17 destination point.

18 (g) A transportation network company vehicle.

19 (h) A motor vehicle insured under a policy for which the  
20 person named in the policy has elected to not maintain coverage for  
21 personal protection insurance benefits under section 3107d or as to  
22 which an exclusion under section 3109a(2) applies.

23 (3) An employee, his or her spouse, or a relative of either  
24 domiciled in the same household, who suffers accidental bodily  
25 injury while an occupant of a motor vehicle owned or registered by  
26 the employer, shall receive personal protection insurance benefits  
27 to which the employee is entitled from the insurer of the furnished  
28 vehicle.

29 (4) Except as provided in subsections (2) and (3), a person



1 who suffers accidental bodily injury arising from a motor vehicle  
 2 accident while an occupant of a motor vehicle who is not covered  
 3 under a personal protection insurance policy as provided in  
 4 subsection (1) shall claim personal protection insurance benefits  
 5 under the assigned claims plan under sections 3171 to 3175. This  
 6 subsection does not apply to a person insured under a policy for  
 7 which the person named in the policy has elected to not maintain  
 8 coverage for personal protection insurance benefits under section  
 9 3107d or as to which an exclusion under section ~~3109(2)~~ **3109a(2)**  
 10 applies, or who is not entitled to be paid personal protection  
 11 benefits under section 3107d(6)(c) or 3109a(2)(d)(ii).

12 (5) Subject to subsections (6) and (7), a person who suffers  
 13 accidental bodily injury arising from a motor vehicle accident that  
 14 shows evidence of the involvement of a motor vehicle while an  
 15 operator or passenger of a motorcycle shall claim personal  
 16 protection insurance benefits from insurers in the following order  
 17 of priority:

18 (a) The insurer of the owner or registrant of the motor  
 19 vehicle involved in the accident.

20 (b) The insurer of the operator of the motor vehicle involved  
 21 in the accident.

22 (c) The motor vehicle insurer of the operator of the  
 23 motorcycle involved in the accident.

24 (d) The motor vehicle insurer of the owner or registrant of  
 25 the motorcycle involved in the accident.

26 (6) If an applicable insurance policy in an order of priority  
 27 under subsection (5) is a policy for which the person named in the  
 28 policy has elected to not maintain coverage for personal protection  
 29 insurance benefits under section 3107d, or as to which an exclusion



1 under section ~~3109(2)~~**3109a(2)** applies, the injured person shall  
 2 claim benefits only under other policies, subject to subsection  
 3 (7), in the same order of priority for which no such election has  
 4 been made. If there are no other policies for which no such  
 5 election has been made, the injured person shall claim benefits  
 6 under the next order of priority or, if there is not a next order  
 7 of priority, under the assigned claims plan under sections 3171 to  
 8 3175.

9 (7) If personal protection insurance benefits are payable  
 10 under subsection (5) under 2 or more insurance policies in the same  
 11 order of priority, the benefits are only payable up to an aggregate  
 12 coverage limit that equals the highest available coverage limit  
 13 under any 1 of the policies.

14 (8) Subject to subsections (6) and (7), if 2 or more insurers  
 15 are in the same order of priority to provide personal protection  
 16 insurance benefits under subsection (5), an insurer that pays  
 17 benefits due is entitled to partial recoupment from the other  
 18 insurers in the same order of priority, and a reasonable amount of  
 19 partial recoupment of the expense of processing the claim, in order  
 20 to accomplish equitable distribution of the loss among all of the  
 21 insurers.

22 **(9) A person who suffers accidental bodily injury while an**  
 23 **operator or a passenger of a shared vehicle, as that term is**  
 24 **defined in section 3 of the peer-to-peer car sharing program act,**  
 25 **is entitled to claim personal protection insurance benefits from**  
 26 **insurers in the order of priority as provided in section 41 of the**  
 27 **peer-to-peer car sharing program act.**

28 **(10) ~~(9)~~As used in this section:**

29 (a) "Personal vehicle", "transportation network company



1 digital network", and "transportation network company prearranged  
2 ride" mean those terms as defined in section 2 of the limousine,  
3 taxicab, and transportation network company act, 2016 PA 345, MCL  
4 257.2102.

5 (b) "Transportation network company vehicle" means a personal  
6 vehicle while the driver is logged on to the transportation network  
7 company digital network or while the driver is engaged in a  
8 transportation network company prearranged ride.

9 Enacting section 1. This amendatory act does not take effect  
10 unless House Bill No. 4917 of the 101st Legislature is enacted into  
11 law.

