



**House
Legislative
Analysis
Section**

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SENIORS MAY WAIVE WORK LOSS

House Bill 4041
Sponsor: Rep. John Bennett
Committee: Insurance

Complete to 2-7-91

A SUMMARY OF HOUSE BILL 4041 AS INTRODUCED 1-31-91

The bill would amend Chapter 31 of the Insurance Code, which deals with no-fault automobile insurance, to allow people 60 years of age and older to waive coverage for work loss benefits if they would not be eligible to receive them in the event of an accidental bodily injury (in an auto accident). Work loss benefits are included among the mandatory coverages in a no-fault auto policy. Insurance companies would have to offer a reduced premium rate for people who waive coverage for work loss benefits. The insured would waive the benefits by signing a waiver form provided by the insurer. The waiver of coverage would only apply to benefits payable to the person or persons who had signed the waiver form.

Currently, work loss benefits cover 1) the loss of income from work that would have been performed during the three years immediately following the injury and 2) expenses up to \$20 per day incurred in obtaining ordinary and necessary services in lieu of those the injured person would have performed for himself or herself, or for a dependent, during the three years following injury. The bill would separate the two elements of work loss coverage, leaving only the first within the work loss category and making the second a separate kind of benefit. The waiver of work loss benefits permitted under the bill would only apply to loss of income from work.

The bill would take effect October 1, 1991.

MCL 500.3107 and 3107a