

# HOUSE BILL No. 4629

March 21, 1991, Introduced by Reps. Saunders, Harrison, Perry Bullard, Clarke, Murphy, Bennane, Kilpatrick, Joe Young, Sr., DeMars, Clack, Stallworth, Wallace, Joe Young, Jr., Owen, Harder, Emerson, Kosteva, Gubow, Jondahl, Scott, Hollister, Berman, Barns, Hood and Varga and referred to the Committee on Insurance.

A bill to amend section 3107 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended by Act No. 312 of the Public Acts of 1988, being section 500.3107 of the Michigan Compiled Laws.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3107 of Act No. 218 of the Public Acts  
2 of 1956, as amended by Act No. 312 of the Public Acts of 1988,  
3 being section 500.3107 of the Michigan Compiled Laws, is amended  
4 to read as follows:

5 Sec. 3107. (1) Personal protection insurance benefits are  
6 payable for the following:

7 (a) Allowable expenses consisting of all reasonable charges  
8 incurred for reasonably necessary products, services and  
9 accommodations for an injured person's care, recovery, or

1 rehabilitation. Allowable expenses within personal protection  
2 insurance coverage shall not include charges for a hospital room  
3 in excess of a reasonable and customary charge for semiprivate  
4 accommodations except ~~when~~ IF the injured person requires spe-  
5 cial or intensive care, or ~~before October 1, 1988 charges~~ for  
6 funeral and burial expenses in ~~excess of \$1,000.00. Beginning~~  
7 ~~October 1, 1988, benefits for funeral and burial expenses shall~~  
8 ~~be payable in~~ the amount set forth in the policy ~~but~~ WHICH  
9 shall not be less than \$1,750.00 ~~nor~~ OR more than \$5,000.00.

10 (b) ~~Work~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2),  
11 WORK loss consisting of loss of income from work an injured  
12 person would have performed during the first 3 years after the  
13 date of the accident if he or she had not been injured and  
14 expenses not exceeding \$20.00 per day, reasonably incurred in  
15 obtaining ordinary and necessary services in lieu of those that,  
16 if he or she had not been injured, an injured person would have  
17 performed during the first 3 years after the date of the acci-  
18 dent, not for income but for the benefit of himself or herself or  
19 of his or her dependent. Work loss does not include any loss  
20 after the date on which the injured person dies. Because the  
21 benefits received from personal protection insurance for loss of  
22 income are not taxable income, the benefits payable for such loss  
23 of income shall be reduced 15% unless the claimant presents to  
24 the insurer in support of his or her claim reasonable proof of a  
25 lower value of the income tax advantage in his or her case, in  
26 which case the lower value shall apply. Beginning March 30,  
27 1973, the benefits payable for work loss sustained in a single

1 30-day period and the income earned by an injured person for work  
2 during the same period together shall not exceed \$1,000.00, which  
3 maximum shall apply pro rata to any lesser period of work loss.  
4 Beginning October 1, 1974, the maximum shall be adjusted annually  
5 to reflect changes in the cost of living under rules prescribed  
6 by the commissioner but any change in the maximum shall apply  
7 only to benefits arising out of accidents occurring subsequent to  
8 the date of change in the maximum.

9 (2) A PERSON WHO IS 60 YEARS OF AGE OR OLDER AND, IN THE  
10 EVENT OF AN ACCIDENTAL BODILY INJURY, WOULD NOT BE ELIGIBLE TO  
11 RECEIVE WORK LOSS BENEFITS UNDER SUBSECTION (1)(B) MAY WAIVE COV-  
12 ERAGE FOR WORK LOSS BENEFITS FOR HIMSELF OR HERSELF ONLY UNDER  
13 SUBSECTION (1)(B). AN INSURER SHALL OFFER A REDUCED PREMIUM RATE  
14 TO A PERSON WHO IS 60 YEARS OF AGE OR OLDER WHO WAIVES COVERAGE  
15 UNDER THIS SUBSECTION FOR WORK LOSS BENEFITS UNDER SUBSECTION  
16 (1)(B).

17 Section 2. This amendatory act shall take effect January 1,  
18 1992.

19 Section 3. This amendatory act shall not take effect unless  
20 Senate Bill No. \_\_\_\_\_ or House Bill No. 4627 (request  
21 no. 01499'91) of the 86th Legislature is enacted into law.