

HOUSE BILL No. 4630

March 21, 1991, Introduced by Reps. Saunders, Harrison, 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 Act No. 218 of the Public Acts of 1956, entitled as amended
"The insurance code of 1956,"
as amended, being sections 500.100 to 500.8302 of the Michigan Compiled Laws, by adding section 3010.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Act No. 218 of the Public Acts of 1956, as
2 amended, being sections 500.100 to 500.8302 of the Michigan
3 Compiled Laws, is amended by adding section 3010 to read as
4 follows:

5 SEC. 3010. (1) EACH INSURER ISSUING AUTOMOBILE LIABILITY OR
6 MOTOR VEHICLE LIABILITY POLICIES IN THIS STATE SHALL OFFER TO
7 INCLUDE IN EACH SUCH POLICY UNINSURED MOTORIST COVERAGE AND
8 UNDERINSURED MOTORIST COVERAGE AS PROVIDED IN THIS SECTION.
9 UNINSURED MOTORIST COVERAGE AND UNDERINSURED MOTORIST COVERAGE IN

1 AMOUNTS NOT LESS THAN THOSE REQUIRED BY SECTION 3009(1) SHALL BE
2 INCLUDED IN EACH AUTOMOBILE LIABILITY AND MOTOR VEHICLE LIABILITY
3 POLICY ISSUED OR DELIVERED IN THIS STATE UNLESS THE NAMED INSURED
4 REJECTS THE COVERAGE IN WRITING.

5 (2) EACH AUTOMOBILE LIABILITY OR MOTOR VEHICLE LIABILITY
6 POLICY SHALL CONTAIN A NOTICE, DISPLAYED PROMINENTLY ON THE FRONT
7 PAGE OF THE POLICY, IN AT LEAST 8-POINT TYPE THAT THE COVERAGE
8 DESCRIBED IN SUBSECTION (1) WAS EXPLAINED TO THE INSURED AND THAT
9 HE OR SHE MAY REJECT THE COVERAGE BY NOTICE IN WRITING. THE COV-
10 ERAGE DESCRIBED IN SUBSECTION (1) NEED NOT BE PROVIDED IN A
11 RENEWAL POLICY IF THE NAMED INSURED HAS REJECTED THE COVERAGE IN
12 WRITING IN CONNECTION WITH A POLICY PREVIOUSLY ISSUED TO HIM OR
13 HER BY THE SAME INSURER.

14 (3) AS USED IN THIS SECTION:

15 (A) "UNDERINSURED MOTOR VEHICLE" MEANS A MOTOR VEHICLE WITH
16 RESPECT TO WHICH THE LIMITS OF ALL APPLICABLE LIABILITY COVER-
17 AGES, AFTER BEING EXHAUSTED BY SETTLEMENT OR JUDGMENT, ARE NOT
18 ADEQUATE TO FULLY COMPENSATE AN INJURED PERSON FOR ALL NONECO-
19 NOMIC LOSSES AND ECONOMIC LOSSES NOT OTHERWISE COMPENSABLE UNDER
20 CHAPTER 31.

21 (B) "UNDERINSURED MOTORIST COVERAGE" MEANS COVERAGE, UNDER
22 PROVISIONS APPROVED BY THE COMMISSIONER, THAT PAYS ALL SUMS THAT
23 THE INSURED PERSON IS LEGALLY ENTITLED TO RECOVER AS DAMAGES FROM
24 THE OWNER OR OPERATOR OF AN UNDERINSURED MOTOR VEHICLE, SUBJECT
25 TO THE LIMITS OF UNDERINSURED MOTORIST COVERAGE APPLICABLE TO THE
26 LOSS.

1 (C) "UNINSURED MOTOR VEHICLE" MEANS A MOTOR VEHICLE THAT
2 MEETS ANY OF THE FOLLOWING:

3 (i) IS NOT INSURED BY AN AUTOMOBILE LIABILITY OR MOTOR VEHI-
4 CLE LIABILITY POLICY AT THE TIME OF THE ACCIDENT.

5 (ii) IS A HIT-AND-RUN MOTOR VEHICLE WHOSE OPERATOR OR OWNER
6 HAS NOT BEEN IDENTIFIED, AND THAT STRIKES OR OTHERWISE CAUSES
7 DAMAGE TO A PERSON NAMED IN THE POLICY OR A SPOUSE OR RELATIVE
8 DOMICILED IN THE SAME HOUSEHOLD, A VEHICLE OCCUPIED BY A PERSON
9 NAMED IN THE POLICY OR A SPOUSE OR RELATIVE DOMICILED IN THE SAME
10 HOUSEHOLD, OR A VEHICLE COVERED BY THE UNINSURED MOTORIST COVER-
11 AGE OR ANY PERSON OCCUPYING THAT VEHICLE.

12 (iii) IS INSURED BY AN AUTOMOBILE LIABILITY OR MOTOR VEHICLE
13 LIABILITY POLICY AT THE TIME OF THE ACCIDENT BUT THE INSURER
14 DENIES COVERAGE OR IS OR BECOMES INSOLVENT.

15 (D) "UNINSURED MOTORIST COVERAGE" MEANS COVERAGE, UNDER PRO-
16 VISIONS APPROVED BY THE COMMISSIONER, THAT PAYS ALL SUMS THAT THE
17 INSURED PERSON IS LEGALLY ENTITLED TO RECOVER AS DAMAGES FROM THE
18 OWNER OR OPERATOR OF AN UNINSURED MOTOR VEHICLE, SUBJECT TO THE
19 LIMITS OF UNINSURED MOTORIST COVERAGE APPLICABLE TO THE LOSS.