

HOUSE BILL No. 4636

March 21, 1991, Introduced by Reps. Scott, Saunders, Jondahl, Barns, Kilpatrick, Kosteva, 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) AN AUTOMOBILE LIABILITY OR MOTOR VEHICLE
6 LIABILITY POLICY INSURING AGAINST LOSS RESULTING FROM LIABILITY
7 IMPOSED BY LAW FOR BODILY INJURY OR DEATH SUFFERED BY A PERSON
8 ARISING OUT OF THE OWNERSHIP, MAINTENANCE, OR USE OF A MOTOR
9 VEHICLE SHALL NOT BE DELIVERED OR ISSUED FOR DELIVERY IN THIS

1 STATE WITH RESPECT TO A MOTOR VEHICLE REGISTERED IN THIS STATE
2 UNLESS COVERAGE IS PROVIDED IN OR SUPPLEMENTAL TO THE POLICY IN
3 LIMITS FOR BODILY INJURY OR DEATH SET FORTH IN SECTION 3009 UNDER
4 PROVISIONS APPROVED BY THE COMMISSIONER FOR THE PROTECTION OF
5 PERSONS INSURED UNDER THE POLICY WHO ARE LEGALLY ENTITLED TO
6 RECOVER DAMAGES FROM OWNERS OR OPERATORS OF UNINSURED MOTOR VEHI-
7 CLES, INCLUDING OWNERS OR OPERATORS INSURED BY AN INSOLVENT
8 INSURER, BECAUSE OF BODILY INJURY, SICKNESS, OR DISEASE, INCLUD-
9 ING DEATH, RESULTING THEREFROM, UNLESS THE NAMED INSURED REJECTS
10 THE COVERAGE IN WRITING, AS PROVIDED IN THIS SECTION.

11 (2) EACH AUTOMOBILE LIABILITY OR MOTOR VEHICLE LIABILITY
12 POLICY SHALL CONTAIN A NOTICE, DISPLAYED PROMINENTLY ON THE FRONT
13 PAGE OF THE POLICY, IN AT LEAST 8-POINT TYPE THAT THE COVERAGE
14 DESCRIBED IN SUBSECTION (1) WAS EXPLAINED TO THE INSURED AND THAT
15 HE OR SHE MAY REJECT THE COVERAGE BY NOTICE IN WRITING. UNLESS
16 THE NAMED INSURED REQUESTS THE COVERAGE DESCRIBED IN SUBSECTION
17 (1) IN WRITING, IT NEED NOT BE PROVIDED IN OR SUPPLEMENTAL TO A
18 RENEWAL POLICY IF THE NAMED INSURED HAS REJECTED THE COVERAGE IN
19 CONNECTION WITH A POLICY PREVIOUSLY ISSUED TO HIM OR HER BY THE
20 SAME INSURER.

21 (3) BEFORE THE POLICY IS ISSUED OR RENEWED, THE INSURER
22 SHALL OFFER THE NAMED INSURED THE RIGHT TO OBTAIN UNINSURED
23 MOTORIST COVERAGE AS PROVIDED IN SUBSECTION (1), BUT THE INSURER
24 SHALL NOT BE REQUIRED TO PROVIDE LIMITS HIGHER THAN THE INSURED'S
25 BODILY INJURY LIABILITY LIMITS OR \$100,000.00 PER PERSON AND
26 \$300,000.00 PER ACCIDENT, WHICHEVER IS LESS.

1 (4) UNINSURED MOTORIST COVERAGE AS PROVIDED IN SUBSECTION
2 (1) SHALL INCLUDE COVERAGE FOR DAMAGE FOR BODILY INJURY OR DEATH
3 WHICH AN INSURED IS LEGALLY ENTITLED TO COLLECT FROM THE OWNER OR
4 DRIVER OF AN UNDERINSURED MOTOR VEHICLE. AS USED IN THIS SUBSEC-
5 TION "UNDERINSURED MOTOR VEHICLE" MEANS A MOTOR VEHICLE, THE
6 OWNERSHIP, MAINTENANCE, OR USE OF WHICH IS INSURED FOR BODILY
7 INJURY OR DEATH AT THE TIME OF THE ACCIDENT, BUT THE LIMITS OF
8 LIABILITY FOR BODILY INJURY OR DEATH UNDER THAT INSURANCE IS
9 EITHER OF THE FOLLOWING:

10 (A) LESS THAN THE LIMITS FOR UNINSURED MOTORIST COVERAGE
11 UNDER THE INSURED'S POLICY.

12 (B) REDUCED BY PAYMENTS TO PERSONS OTHER THAN AN INSURED IN
13 THE ACCIDENT TO LESS THAN THE LIMITS OF UNINSURED MOTORIST COVER-
14 AGE UNDER THE INSURED'S POLICY.

15 (5) THE MAXIMUM LIABILITY OF THE INSURER UNDER THE UNINSURED
16 MOTORIST COVERAGE SHALL BE THE LESSER OF THE FOLLOWING:

17 (A) THE DIFFERENCE BETWEEN THE LIMIT OF UNINSURED MOTORIST
18 COVERAGE AND THE AMOUNT PAID TO THE INSURED BY OR FOR ANY PERSON
19 OR ORGANIZATION WHO MAY BE HELD LEGALLY LIABLE FOR THE BODILY
20 INJURY.

21 (B) THE AMOUNT OF DAMAGES SUSTAINED, BUT NOT RECOVERED.