



# HOUSE BILL No. 4781

May 3, 1995, Introduced by Rep. 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. 191 of the Public Acts of 1991, 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. 191 of the Public Acts of 1991,  
3 being section 500.3107 of the Michigan Compiled Laws, is amended  
4 to read as follows:

5 Sec. 3107. (1) Except as provided in subsection (2), per-  
6 sonal protection insurance benefits are payable for the  
7 following:

8 (a) Allowable expenses consisting of all reasonable charges  
9 incurred for reasonably necessary products, services, and

1 accommodations for an injured person's care, recovery, or  
2 rehabilitation. Allowable expenses within personal protection  
3 insurance coverage shall not include charges for a hospital room  
4 in excess of a reasonable and customary charge for semiprivate  
5 accommodations except if the injured person requires special or  
6 intensive care, or for funeral and burial expenses in EXCESS OF  
7 the amount set forth in the policy which shall not be less than  
8 \$1,750.00 or more than \$5,000.00.

9 (b) Work loss consisting of loss of income from work an  
10 injured person would have performed during the first 3 years  
11 after the date of the accident if he or she had not been  
12 injured. Work loss does not include any loss after the date on  
13 which the injured person dies. Because the benefits received  
14 from personal protection insurance for loss of income are not  
15 taxable income, the benefits payable for ~~such~~ THIS loss of  
16 income shall be reduced 15% unless the claimant presents to the  
17 insurer in support of his or her claim reasonable proof of a  
18 lower value of the income tax advantage in his or her case, in  
19 which case the lower value shall apply. Beginning March 30,  
20 1973, the benefits payable for work loss sustained in a single  
21 30-day period and the income earned by an injured person for work  
22 during the same period together shall not exceed \$1,000.00, which  
23 maximum shall apply pro rata to any lesser period of work loss.  
24 Beginning October 1, 1974, the maximum shall be adjusted annually  
25 to reflect changes in the cost of living under rules prescribed  
26 by the commissioner but any change in the maximum ~~shall apply~~

1 APPLIES only to benefits arising out of accidents occurring  
2 ~~subsequent to~~ AFTER the date of change in the maximum.

3 (c) Expenses not exceeding \$20.00 per day, reasonably  
4 incurred in obtaining ordinary and necessary services in lieu of  
5 those that, if he or she had not been injured, an injured person  
6 would have performed during the first 3 years after the date of  
7 the accident, not for income but for the benefit of himself or  
8 herself or of his or her dependent.

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  
12 coverage for work loss benefits UNDER SUBSECTION (1)(B) by sign-  
13 ing a waiver on a form provided by the insurer. An insurer shall  
14 offer a reduced premium rate to a person who waives coverage  
15 under this subsection for work loss benefits. Waiver of coverage  
16 for work loss benefits applies only to work loss benefits payable  
17 to the person or persons who have signed the waiver form.