

# HOUSE BILL No. 4963

June 14, 2001, Introduced by Rep. Frank and referred to the Committee on Insurance and Financial Services.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending section 3107 (MCL 500.3107), as amended by 1991 PA  
191.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

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

4       (a) Allowable expenses consisting of all reasonable charges  
5 incurred for reasonably necessary products, services, and accom-  
6 modations for an injured person's care, recovery, or  
7 rehabilitation. Allowable expenses within personal protection  
8 insurance coverage shall not include charges for a hospital room  
9 in excess of a reasonable and customary charge for semiprivate  
10 accommodations except if the injured person requires special or

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1 intensive care, or for funeral and burial expenses in EXCESS OF  
2 the amount set forth in the policy which shall not be less than  
3 \$1,750.00 or more than \$5,000.00.

4 (b) Work loss consisting of loss of income from work an  
5 injured person would have performed ~~during the first 3 years~~  
6 ~~after the date of the accident~~ if he or she had not been  
7 injured. WORK LOSS COVERAGE IS AVAILABLE FOR A PERIOD THAT  
8 TOTALS NOT MORE THAN 36 MONTHS AND MAY BE APPLIED IN CONSECUTIVE  
9 DAILY INCREMENTS OR IN INTERMITTENT DAILY INCREMENTS SO LONG AS  
10 THE WORK LOSS APPLIES TO THE ORIGINAL INJURY. Work loss does not  
11 include any loss after the date on which the injured person  
12 dies. Because the benefits received from personal protection  
13 insurance for loss of income are not taxable income, the benefits  
14 payable for ~~such~~ THIS loss of income shall be reduced 15%  
15 unless the claimant presents to the insurer in support of his or  
16 her claim reasonable proof of a lower value of the income tax  
17 advantage in his or her case, in which case the lower value  
18 ~~shall apply~~ APPLIES. Beginning March 30, 1973, the benefits  
19 payable for work loss sustained in a single 30-day period and the  
20 income earned by an injured person for work during the same  
21 period together shall not exceed \$1,000.00, which maximum shall  
22 apply pro rata to any lesser period of work loss. Beginning  
23 October 1, 1974, the maximum shall be adjusted annually to  
24 reflect changes in the cost of living under rules prescribed by  
25 the commissioner but any change in the maximum ~~shall apply~~  
26 APPLIES only to benefits arising out of accidents occurring  
27 ~~subsequent to~~ AFTER the date of change in the maximum.

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

7 (2) A person who is 60 years of age or older and in the  
8 event of an accidental bodily injury would not be eligible to  
9 receive work loss benefits under subsection (1)(b) may waive cov-  
10 erage for work loss benefits by signing a waiver on a form pro-  
11 vided by the insurer. An insurer shall offer a reduced premium  
12 rate to a person who waives coverage under this subsection for  
13 work loss benefits. Waiver of coverage for work loss benefits  
14 applies only to work loss benefits payable to the person or per-  
15 sons who have signed the waiver form.

16 Enacting section 1. Section 3107 of the insurance code of  
17 1956, 1956 PA 218, MCL 500.3107, as amended by this amendatory  
18 act is retroactive and applies to accidents occurring on and  
19 after January 1, 1992.