

SENATE SUBSTITUTE FOR
HOUSE BILL NO. 5559

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending sections 2418, 2618, and 3101 (MCL 500.2418, 500.2618,
and 500.3101), section 2418 as amended by 1993 PA 200 and section
3101 as amended by 1988 PA 126.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 2418. If at any time after approval of any filing either
2 by act or order of the commissioner or by operation of law, or
3 before approval of a filing made by a worker's compensation insurer
4 controlled by a nonprofit health care corporation ~~formed~~**OPERATING**
5 pursuant to the nonprofit health care corporation reform act, Act
6 ~~No. 350 of the Public Acts of 1980, being sections 550.1101 to~~

1 ~~550.1704 of the Michigan Compiled Laws 1980 PA 350, MCL 550.1101 TO~~
2 ~~550.1704~~, the commissioner finds that a filing does not meet the
3 requirements of this chapter, the commissioner shall, after a
4 hearing held upon not less than 10 days' written notice, specifying
5 the matters to be considered at the hearing, to every insurer and
6 rating organization that made the filing, issue an order specifying
7 in what respects the commissioner finds that the filing fails to
8 meet the requirements of this chapter, and stating for a filing
9 that has gone into effect when, within a reasonable period
10 thereafter, that filing shall be considered no longer effective.
11 ~~Copies~~ **A COPY** of the order shall be sent to every ~~such~~ insurer and
12 rating organization **SUBJECT TO THE ORDER**. The order shall not
13 affect any contract or policy made or issued ~~prior to the~~
14 ~~expiration of the period set forth in the order~~ **BEFORE THE DATE THE**
15 **FILING BECOMES INEFFECTIVE AS INDICATED IN THE COMMISSIONER'S**
16 **ORDER**.

17 Sec. 2618. If at any time ~~subsequent to~~ **AFTER** the applicable
18 review period provided for in section 2616, the commissioner finds
19 that a filing does not meet the requirements of this chapter, ~~he~~
20 **THE COMMISSIONER** shall, after a hearing held upon not less than 10
21 days' written notice, specifying the matters to be considered at
22 ~~such~~ **THE** hearing, to every insurer and rating organization ~~which~~
23 **THAT** made ~~such~~ **THE** filing, issue an order specifying in what
24 respects ~~he~~ **THE COMMISSIONER** finds that ~~such~~ **THE** filing fails to
25 meet the requirements of this chapter, and stating when, within a
26 reasonable period thereafter, ~~such~~ **THAT** filing shall be ~~deemed~~
27 **CONSIDERED** no longer effective. ~~Copies~~ **A COPY** of ~~said~~ **THE** order

1 shall be sent to every ~~such~~ insurer and rating organization **SUBJECT**
2 **TO THE ORDER**. ~~Said~~ **THE** order shall not ~~effect~~ **AFFECT** any contract
3 or policy made or issued ~~prior to the expiration of the period set~~
4 ~~forth in said order~~ **BEFORE THE DATE THE FILING BECOMES INEFFECTIVE**
5 **AS INDICATED IN THE COMMISSIONER'S ORDER**.

6 Sec. 3101. (1) The owner or registrant of a motor vehicle
7 required to be registered in this state shall maintain security for
8 payment of benefits under personal protection insurance, property
9 protection insurance, and residual liability insurance. Security
10 shall only be required to be in effect during the period the motor
11 vehicle is driven or moved upon a highway. Notwithstanding any
12 other provision in this act, an insurer that has issued an
13 automobile insurance policy on a motor vehicle that is not driven
14 or moved upon a highway may allow the insured owner or registrant
15 of the motor vehicle to delete a portion of the coverages under the
16 policy and maintain the comprehensive coverage portion of the
17 policy in effect.

18 (2) As used in this chapter:

19 (a) "Automobile insurance" means that term as defined in
20 section 2102.

21 (b) "Highway" means that term as defined in section 20 of the
22 Michigan vehicle code, ~~Act No. 300 of the Public Acts of 1949,~~
23 ~~being section 257.20 of the Michigan Compiled Laws 1949 PA 300, MCL~~
24 **257.20**.

25 (c) "Motorcycle" means a vehicle having a saddle or seat for
26 the use of the rider, designed to travel on not more than 3 wheels
27 in contact with the ground, which is equipped with a motor that

1 exceeds 50 cubic centimeters piston displacement. The wheels on any
2 attachment to the vehicle shall not be considered as wheels in
3 contact with the ground. Motorcycle does not include a moped, as
4 defined in section 32b of the Michigan vehicle code, ~~Act No. 300 of~~
5 ~~the Public Acts of 1949, being section 257.32b of the Michigan~~
6 ~~Compiled Laws 1949 PA 300, MCL 257.32B.~~ **MOTORCYCLE DOES NOT INCLUDE**
7 **AN ORV.**

8 (d) "Motorcycle accident" means a loss involving the
9 ownership, operation, maintenance, or use of a motorcycle as a
10 motorcycle, but not involving the ownership, operation,
11 maintenance, or use of a motor vehicle as a motor vehicle.

12 (e) "Motor vehicle" means a vehicle, including a trailer,
13 operated or designed for operation upon a public highway by power
14 other than muscular power which has more than 2 wheels. Motor
15 vehicle does not include a motorcycle or a moped, as defined in
16 section 32b of ~~Act No. 300 of the Public Acts of 1949, being~~
17 ~~section 257.32b of the Michigan Compiled Laws~~ **THE MICHIGAN VEHICLE**
18 **CODE, 1949 PA 300, MCL 257.32B.** Motor vehicle does not include a
19 farm tractor or other implement of husbandry which is not subject
20 to the registration requirements of the Michigan vehicle code
21 pursuant to section 216 of the Michigan vehicle code, ~~Act No. 300~~
22 ~~of the Public Acts of 1949, being section 257.216 of the Michigan~~
23 ~~Compiled Laws 1949 PA 300, MCL 257.216.~~ **MOTOR VEHICLE DOES NOT**
24 **INCLUDE AN ORV.**

25 (f) "Motor vehicle accident" means a loss involving the
26 ownership, operation, maintenance, or use of a motor vehicle as a
27 motor vehicle regardless of whether the accident also involves the

1 ownership, operation, maintenance, or use of a motorcycle as a
2 motorcycle.

3 (G) "ORV" MEANS A MOTOR-DRIVEN RECREATION VEHICLE DESIGNED FOR
4 OFF-ROAD USE AND CAPABLE OF CROSS-COUNTRY TRAVEL WITHOUT BENEFIT OF
5 ROAD OR TRAIL, ON OR IMMEDIATELY OVER LAND, SNOW, ICE, MARSH,
6 SWAMPLAND, OR OTHER NATURAL TERRAIN. ORV INCLUDES, BUT IS NOT
7 LIMITED TO, A MULTITRACK OR MULTIWHEEL DRIVE VEHICLE, A MOTORCYCLE
8 OR RELATED 2-WHEEL, 3-WHEEL, OR 4-WHEEL VEHICLE, AN AMPHIBIOUS
9 MACHINE, A GROUND EFFECT AIR CUSHION VEHICLE, AN ATV AS DEFINED IN
10 SECTION 81101 OF THE NATURAL RESOURCES AND ENVIRONMENTAL PROTECTION
11 ACT, 1994 PA 451, MCL 324.81101, OR OTHER MEANS OF TRANSPORTATION
12 DERIVING MOTIVE POWER FROM A SOURCE OTHER THAN MUSCLE OR WIND. ORV
13 DOES NOT INCLUDE A VEHICLE DESCRIBED IN THIS SUBDIVISION THAT IS
14 REGISTERED FOR USE UPON A PUBLIC HIGHWAY AND HAS THE SECURITY
15 DESCRIBED IN SECTION 3101 OR 3103 IN EFFECT.

16 (H) ~~(g)~~"Owner" means any of the following:

17 (i) A person renting a motor vehicle or having the use thereof,
18 under a lease or otherwise, for a period that is greater than 30
19 days.

20 (ii) A person who holds the legal title to a vehicle, other
21 than a person engaged in the business of leasing motor vehicles who
22 is the lessor of a motor vehicle pursuant to a lease providing for
23 the use of the motor vehicle by the lessee for a period that is
24 greater than 30 days.

25 (iii) A person who has the immediate right of possession of a
26 motor vehicle under an installment sale contract.

27 (I) ~~(h)~~"Registrant" does not include a person engaged in the

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1 business of leasing motor vehicles who is the lessor of a motor
2 vehicle pursuant to a lease providing for the use of the motor
3 vehicle by the lessee for a period that is greater than 30 days.

4 (3) Security may be provided under a policy issued by an
5 insurer duly authorized to transact business in this state which
6 affords insurance for the payment of benefits described in
7 subsection (1). A policy of insurance represented or sold as
8 providing security ~~shall be deemed~~ **IS CONSIDERED** to provide
9 insurance for the payment of the benefits.

10 (4) Security required by subsection (1) may be provided by any
11 other method approved by the secretary of state as affording
12 security equivalent to that afforded by a policy of insurance, if
13 proof of the security is filed and continuously maintained with the
14 secretary of state throughout the period the motor vehicle is
15 driven or moved upon a highway. The person filing the security has
16 all the obligations and rights of an insurer under this chapter.
17 When the context permits, "insurer" as used in this chapter,
18 includes any person filing the security as provided in this
19 section.

<<Enacting section 1. This amendatory act does not take effect
unless House Bill No. 4323 of the 94th Legislature is enacted into law.>>