

# HOUSE BILL No. 4959

September 4, 2013, Introduced by Reps. Farrington, Outman, Kelly, Cotter, Lauwers, McBroom, LaFontaine, Price, Lori and Pettalia and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 3021, 3101, 3109, and 3113 (MCL 500.3021, 500.3101, 500.3109, and 500.3113), section 3101 as amended by 2008 PA 241, section 3109 as amended by 2012 PA 454, and section 3113 as amended by 1986 PA 93.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1           Sec. 3021. ~~No~~ **EXCEPT AS OTHERWISE PROVIDED IN SECTION 3101, AN**  
2 **INSURER SHALL NOT CANCEL A** policy including any class of motor  
3 vehicle coverage, ~~shall be cancelled by the insurer, nor shall the~~  
4 ~~insurer refuse to issue a renewal policy, nor shall the premium for~~  
5 ~~any such policy be increased~~ **OR INCREASE A PREMIUM FOR A POLICY**  
6 solely because an insured has reached the age of 65 years, if the  
7 insured still has a valid Michigan motor vehicle operator's

1 license.

2           Sec. 3101. (1) ~~The~~ **EXCEPT AS OTHERWISE PROVIDED IN THIS**  
3 **SUBSECTION, AN** owner or registrant of a motor vehicle required to  
4 be registered in this state shall maintain security for payment of  
5 benefits under personal protection insurance, property protection  
6 insurance, and residual liability insurance. **AN OWNER OR REGISTRANT**  
7 **OF A MOTOR VEHICLE REQUIRED TO BE REGISTERED IN THIS STATE WHO IS**  
8 **AN INDIVIDUAL 65 YEARS OF AGE OR OLDER IS NOT REQUIRED TO MAINTAIN**  
9 **SECURITY FOR BENEFITS UNDER PERSONAL PROTECTION 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, 1949 PA 300, MCL 257.20.

23           (c) "Motorcycle" means a vehicle ~~having~~ **THAT HAS** a saddle or  
24 seat for the use of the rider, **IS** designed to travel on not more  
25 than 3 wheels in contact with the ground, ~~which~~ **AND** is equipped  
26 with a motor that exceeds 50 cubic centimeters piston displacement.  
27 The wheels on any attachment to the vehicle shall not be considered

1 as wheels in contact with the ground. Motorcycle does not include a  
2 moped, as defined in section 32b of the Michigan vehicle code, 1949  
3 PA 300, MCL 257.32b. Motorcycle does not include an ORV.

4 (d) "Motorcycle accident" means a loss ~~involving~~ **THAT INVOLVES**  
5 the ownership, operation, maintenance, or use of a motorcycle as a  
6 motorcycle, but ~~not involving~~ **DOES NOT INVOLVE** the ownership,  
7 operation, maintenance, or use of a motor vehicle as a motor  
8 vehicle.

9 (e) "Motor vehicle" means a vehicle, including a trailer,  
10 operated or designed for operation upon a public highway by power  
11 other than muscular power ~~which~~ **THAT** has more than 2 wheels. Motor  
12 vehicle does not include a motorcycle or a moped, as defined in  
13 section 32b of the Michigan vehicle code, 1949 PA 300, MCL 257.32b.  
14 Motor vehicle does not include a farm tractor or other implement of  
15 husbandry ~~which~~ **THAT** is not subject to the registration  
16 requirements of the Michigan vehicle code ~~pursuant to~~ **UNDER** section  
17 216 of the Michigan vehicle code, 1949 PA 300, MCL 257.216. Motor  
18 vehicle does not include an ORV.

19 (f) "Motor vehicle accident" means a loss ~~involving~~ **THAT**  
20 **INVOLVES** the ownership, operation, maintenance, or use of a motor  
21 vehicle as a motor vehicle regardless of whether the accident also  
22 involves the ownership, operation, maintenance, or use of a  
23 motorcycle as a motorcycle.

24 (g) "ORV" means a motor-driven recreation vehicle designed for  
25 off-road use and capable of cross-country travel without benefit of  
26 road or trail, on or immediately over land, snow, ice, marsh,  
27 swampland, or other natural terrain. ORV includes, but is not

1 limited to, a multitrack or multiwheel drive vehicle, a motorcycle  
2 or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious  
3 machine, a ground effect air cushion vehicle, an ATV as defined in  
4 section 81101 of the natural resources and environmental protection  
5 act, 1994 PA 451, MCL 324.81101, ~~or~~ **AND ANY** other means of  
6 transportation ~~deriving~~ **THAT DERIVES** motive power from a source  
7 other than muscle or wind. ORV does not include a vehicle described  
8 in this subdivision that is registered for use upon a public  
9 highway and has the security described in section 3101 or 3103 in  
10 effect.

11 (h) "Owner" means any of the following:

12 (i) A person renting a motor vehicle or having the use ~~thereof~~  
13 **OF A MOTOR VEHICLE**, under a lease or otherwise, for a period that  
14 is greater than 30 days.

15 (ii) A person who holds the legal title to a vehicle, other  
16 than a person engaged in the business of leasing motor vehicles who  
17 is the lessor of a motor vehicle ~~pursuant to~~ **UNDER** a lease  
18 providing for the use of the motor vehicle by the lessee for a  
19 period that is greater than 30 days.

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

22 (i) "Registrant" does not include a person engaged in the  
23 business of leasing motor vehicles who is the lessor of a motor  
24 vehicle ~~pursuant to~~ **UNDER** a lease providing for the use of the  
25 motor vehicle by the lessee for a period that is greater than 30  
26 days.

27 (3) Security may be provided under a policy issued by an

1 insurer ~~duly~~ authorized to transact business in this state which  
2 **THAT** affords insurance for the payment of benefits described in  
3 ~~subsection~~ **SUBSECTIONS (1) AND (5)**. A policy of insurance  
4 represented or sold as providing security is considered to provide  
5 insurance for the payment of the benefits.

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

16 (5) **AN INSURER TRANSACTING INSURANCE IN THIS STATE THAT**  
17 **AFFORDS COVERAGE TO PROVIDE SECURITY REQUIRED UNDER SUBSECTION (1)**  
18 **SHALL OFFER TO AN OWNER OR REGISTRANT OF A MOTOR VEHICLE REQUIRED**  
19 **TO BE REGISTERED IN THIS STATE WHO IS AN INDIVIDUAL 65 YEARS OF AGE**  
20 **OR OLDER SECURITY FOR THE PAYMENT OF PERSONAL PROTECTION INSURANCE**  
21 **BENEFITS PAYABLE ONLY TO THE OWNER OR REGISTRANT. AN INSURER**  
22 **PROVIDING PERSONAL PROTECTION INSURANCE UNDER THIS SUBSECTION MAY**  
23 **OFFER, AND PROVIDE FOR IN THE CONTRACT OF INSURANCE, DEDUCTIBLES,**  
24 **INCREMENTS OF COVERAGE, AND PROVISIONS FOR THE SUBTRACTION OF OTHER**  
25 **BENEFITS PROVIDED OR REQUIRED TO BE PROVIDED UNDER THE LAWS OF ANY**  
26 **STATE OR THE FEDERAL GOVERNMENT.**

27 Sec. 3109. (1) Benefits provided or required to be provided

1 under the laws of any state or the federal government shall be  
2 subtracted from the personal protection insurance benefits  
3 otherwise payable for the injury under this chapter.

4 (2) An injured person is a natural person suffering accidental  
5 bodily injury.

6 (3) An insurer providing personal protection insurance  
7 benefits under this chapter may offer, at appropriately reduced  
8 premium rates, a deductible of a specified dollar amount. This  
9 deductible may be applicable to all or any specified types of  
10 personal protection insurance benefits, but shall apply only to  
11 benefits payable to the person named in the policy, his or her  
12 spouse, and any relative of either domiciled in the same household.  
13 **THIS SUBSECTION DOES NOT APPLY TO PERSONAL PROTECTION INSURANCE**  
14 **BENEFITS OFFERED UNDER SECTION 3101(5).**

15 Sec. 3113. A person is not entitled to be paid personal  
16 protection insurance benefits for accidental bodily injury if at  
17 the time of the accident any of the following circumstances  
18 existed:

19 (a) The person was using a motor vehicle or motorcycle ~~which~~  
20 **THAT** he or she had taken unlawfully, unless the person reasonably  
21 believed that he or she was entitled to take and use the vehicle.

22 (b) The person was the owner or registrant of a motor vehicle  
23 or motorcycle involved in the accident with respect to which the  
24 security required by section 3101 or 3103 was not in effect.

25 (c) The person was not a resident of this state, was an  
26 occupant of a motor vehicle or motorcycle not registered in this  
27 state, and was not insured by an insurer ~~which~~**THAT** has filed a

1 certification in compliance with section 3163.

2 (D) THE PERSON WAS 65 YEARS OF AGE OR OLDER AND WAS THE OWNER  
3 OR REGISTRANT OF A MOTOR VEHICLE WITH RESPECT TO WHICH THE SECURITY  
4 FOR THE PAYMENT OF PERSONAL PROTECTION INSURANCE BENEFITS TO THE  
5 PERSON WAS NOT IN EFFECT.