

HOUSE BILL NO. 5668

January 18, 2022, Introduced by Reps. Clements and Steenland and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3107d (MCL 500.3107d), as added by 2019 PA 22.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3107d. (1) For an insurance policy that provides the
2 security required under section ~~3101(1)~~ **3101** and is issued or
3 renewed after July 1, 2020, the applicant or named insured may, in
4 a way required under section 3107e and on a form approved by the
5 director, elect to not maintain coverage for personal protection
6 insurance benefits payable under section 3107(1) (a) if the

1 applicant or named insured is a qualified person, and if the
2 applicant's or named insured's spouse and any relative of either
3 that resides in the same household have qualified health coverage
4 or have coverage for benefits payable under section 3107(1)(a) from
5 an insurer that provides the security required by section

6 ~~3101(1)~~. **3101. An effective election under this subsection applies**
7 **while the insured continues to be insured under a policy that**
8 **provides the security required by section 3101 that is issued by**
9 **the same insurer or an affiliate of the insurer, as defined in**
10 **section 2102, or until a policy is issued in accordance with a**
11 **written notification by the insured that the insured revokes the**
12 **election.**

13 (2) An applicant or named insured shall, when requesting
14 issuance or renewal of a policy under subsection (1), provide to
15 the insurer a document from the person that provides the qualified
16 health coverage stating the names of all persons covered under the
17 qualified health coverage.

18 (3) The form required under subsection (1) must do all of the
19 following:

20 (a) Require the applicant or named insured to mark the form to
21 certify whether all persons required to be qualified persons under
22 subsection (1) are qualified persons.

23 (b) Disclose in a conspicuous manner that qualified persons
24 are not obligated to but may purchase coverage for personal
25 protection insurance coverage benefits payable under section
26 3107(1)(a).

27 (c) State, in a conspicuous manner, the coverage levels
28 available under section 3107c.

29 (d) State, in a conspicuous manner, the benefits and risks

1 associated with not maintaining the coverage.

2 (e) State, in a conspicuous manner, that if during the term of
3 the policy the qualified health coverage ceases, the person has 30
4 days after the effective date of the termination of qualified
5 health coverage to obtain insurance that provides coverage under
6 section 3107(1) (a) or the person will be excluded from all personal
7 protection insurance coverage benefits under section 3107(1) (a)
8 during the period in which coverage under this section was not
9 maintained.

10 (f) State, in a conspicuous manner, that an election under
11 this section will remain in effect while the insured remains
12 insured with the same insurer or an affiliate unless the insured
13 notifies the insurer in writing that the insured wishes to revoke
14 the election.

15 (g) ~~(f)~~—Provide a way for the applicant or named insured to
16 mark the form to acknowledge that he or she has read the form and
17 understands it and that he or she understands the options available
18 to him or her.

19 (h) ~~(g)~~—If all persons required to be qualified persons under
20 subsection (1) are qualified persons, provide the person a way to
21 mark the form to elect to not maintain the coverage.

22 (i) ~~(h)~~—Require the applicant or named insured to sign the
23 form.

24 (4) If an insurance policy is issued or renewed as described
25 in subsection (1) and the applicant or named insured has not made
26 an effective election under subsection (1), the policy is
27 considered to provide personal protection benefits under section
28 3107c(1) (d) .

29 (5) An election under this section applies to the applicant or

1 named insured, the applicant or named insured's spouse, a relative
2 of either domiciled in the same household, and any other person who
3 would have had a right to claim personal protection insurance
4 benefits under the policy but for the election.

5 (6) If, during the term of an insurance policy under which
6 coverage for personal protection insurance benefits payable under
7 section 3107(1)(a) are not maintained under this section, the
8 persons required to have qualified health coverage under subsection
9 (1) cease to have qualified health coverage, all of the following
10 apply under this subsection:

11 (a) Within 30 days after the effective date of the termination
12 of qualified health coverage, the named insured shall obtain
13 insurance that includes coverage under section 3107(1)(a).

14 (b) An insurer that issues policies that provide the security
15 required by section ~~3101(1)~~**3101** shall not refuse to prospectively
16 insure, limit coverage available to, charge a reinstatement fee to,
17 or increase the insurance premiums for a person who is an eligible
18 person, as that term is defined in section 2103, solely because the
19 person previously failed to obtain insurance that provides coverage
20 for benefits under section 3107(1)(a) in the time required under
21 subdivision (a).

22 (c) If the applicant or named insured does not obtain
23 insurance as required under subdivision (a) and a person to whom
24 the election under this section applies as described in subsection
25 (5) suffers accidental bodily injury arising from a motor vehicle
26 accident within the 30-day period, unless the injured person is
27 entitled to coverage under some other policy, the injured person is
28 not entitled to be paid personal protection insurance benefits
29 under section 3107(1)(a) for the injury but is entitled to claim

1 benefits under the assigned claims plan.

2 (7) As used in this section:

3 (a) "Consumer Price Index" means the most comprehensive index
4 of consumer prices available for this state from the United States
5 Department of Labor, Bureau of Labor Statistics.

6 (b) "Qualified health coverage" means either of the following:

7 (i) Other health or accident coverage to which both of the
8 following apply:

9 (A) The coverage does not exclude or limit coverage for
10 injuries related to motor vehicle accidents.

11 (B) Any annual deductible for the coverage is \$6,000.00 or
12 less per individual. The director shall adjust the amount in this
13 sub-subparagraph on July 1 of each year by the percentage change in
14 the medical component of the Consumer Price Index for the preceding
15 calendar year. However, the director shall not make the adjustment
16 unless the adjustment, or the total of the adjustment and previous
17 unadded adjustments, is \$500.00 or more.

18 (ii) Coverage under parts A and B of the federal Medicare
19 program established under subchapter XVIII of the social security
20 act, 42 USC 1395 to 1395III.

21 (c) "Qualified person" means a person who has qualified health
22 coverage under subdivision (b) (ii).