

HOUSE BILL NO. 5669

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

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3109a (MCL 500.3109a), as amended by 2019 PA
22.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3109a. (1) An insurer that provides personal protection
2 insurance benefits under this chapter may offer deductibles and
3 exclusions reasonably related to other health and accident coverage
4 on the insured. Any deductibles and exclusions offered under this
5 section must be offered at a reduced premium that reflects

1 reasonably anticipated reductions in losses, expenses, or both, are
2 subject to prior approval by the director, and must apply only to
3 benefits payable to the person named in the policy, the spouse of
4 the insured, and any relative of either domiciled in the same
5 household.

6 (2) For an insurance policy issued or renewed after July 1,
7 2020, the insurer shall offer to an applicant or named insured that
8 selects a personal protection benefit limit under section
9 3107c(1)(b) an exclusion related to qualified health coverage. All
10 of the following apply to that exclusion:

11 (a) If the named insured has qualified health coverage as
12 defined in section 3107d(7)(b)(i) that will cover injuries that
13 occur as the result of a motor vehicle accident and if the named
14 insured's spouse and any relatives of either the named insured or
15 the spouse domiciled in the same household have qualified health
16 coverage that will cover injuries that occur as the result of a
17 motor vehicle accident, the premium for the personal protection
18 insurance benefits payable under section 3107(1)(a) under the
19 policy must be reduced by 100%.

20 (b) If a member, but not all members, of the household covered
21 by the insurance policy has qualified health coverage that will
22 cover injuries that occur as the result of a motor vehicle
23 accident, the insurer shall offer a reduced premium that reflects
24 reasonably anticipated reductions in losses, expenses, or both. The
25 reduction must be in addition to the rate rollback required by
26 section 2111f and the share of the premium reduction for the policy
27 attributable to any person with qualified health coverage must be
28 100%.

29 (c) Subject to subdivision (d), a person subject to an

1 exclusion under this subsection is not eligible for personal
2 protection benefits under the insurance policy.

3 (d) If a person subject to an exclusion under this subsection
4 is no longer covered by the qualified health coverage, the named
5 insured shall notify the insurer that the named insured or resident
6 relative is no longer eligible for an exclusion. All of the
7 following apply under this subdivision:

8 (i) The named insured shall, within 30 days after the effective
9 date of the termination of the qualified health coverage, obtain
10 insurance that provides the security required under section ~~3101(1)~~
11 **3101** that includes coverage that was excluded under this
12 subsection.

13 (ii) During the period described in subparagraph (i), if any
14 person excluded suffers accidental bodily injury arising from a
15 motor vehicle accident, the person is entitled to claim benefits
16 under the assigned claims plan.

17 (e) If the named insured does not obtain insurance that
18 provides the security required under section ~~3101(1)~~ **3101** that
19 includes the coverage excluded under this subsection during the
20 period described in subdivision (d) (i) and the named insured or any
21 person excluded under the policy suffers accidental bodily injury
22 arising from a motor vehicle accident, unless the injured person is
23 entitled to coverage under some other policy, the injured person is
24 not entitled to be paid personal protection insurance benefits
25 under section 3107(1)(a) for the injury that occurred during the
26 period in which coverage under this section was excluded.

27 **(f) A selection of an exclusion under this subsection applies**
28 **while the insured continues to be insured under a policy that**
29 **provides the security required under section 3101 that is issued by**

1 the same insurer or an affiliate of the insurer, as defined in
2 section 2102, or until a policy is issued in accordance with a
3 written notification by the insured that the insured revokes the
4 selection.

5 (3) An automobile insurer shall not refuse to prospectively
6 insure, limit coverage available to, charge a reinstatement fee
7 for, or increase the premiums for automobile insurance for an
8 eligible person, as that term is defined in section 2103, solely
9 because the person previously failed to obtain insurance that
10 provides the security required under section ~~3101(1)~~ **3101** in the
11 time period provided under subsection (2) (d) (i).

12 (4) The amount of a premium reduction under subsection (1)
13 must appear in a conspicuous manner in the declarations for the
14 policy, and be expressed as a dollar amount or a percentage.

15 (5) As used in this section, "qualified health coverage" means
16 that term as defined in section 3107d.