

HOUSE BILL NO. 5677

March 17, 2020, Introduced by Reps. Garrett, Yancey, Byrd, Wittenberg, Gay-Dagnogo, Tyrone Carter, Cambensy, Stone, Peterson, Brenda Carter, Kennedy, Lasinski, Warren, Hood, Clemente, Sneller, Bolden, Shannon, Guerra, Whitsett, Cynthia Johnson, Rabhi and Jones and referred to the Committee on Insurance.

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

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3107c. (1) Except as provided in sections 3107d and
2 3109a, and subject to subsection (5), for an insurance policy that
3 provides the security required under section 3101(1) and is issued
4 or renewed after July 1, 2020, the applicant or named insured
5 shall, in a way required under section 3107e and on a form approved
6 by the director, select 1 of the following coverage levels for



1 personal protection insurance benefits under section 3107(1) (a) :

2 (a) A limit of \$50,000.00 per individual per loss occurrence
3 for any personal protection insurance benefits under section
4 3107(1) (a). The selection of a limit under this subdivision is only
5 available to an applicant or named insured if both of the following
6 apply:

7 (i) The applicant or named insured is enrolled in Medicaid, as
8 that term is defined in section 3157.

9 (ii) The applicant's or named insured's spouse and any relative
10 of either who resides in the same household has qualified health
11 coverage, as that term is defined in section 3107d, is enrolled in
12 Medicaid, or has coverage for the payment of benefits under section
13 3107(1) (a) from an insurer that provides the security required by
14 section 3101(1) .

15 (b) A limit of \$250,000.00 per individual per loss occurrence
16 for any personal protection insurance benefits under section
17 3107(1) (a) .

18 (c) A limit of \$500,000.00 per individual per loss occurrence
19 for any personal protection insurance benefits under section
20 3107(1) (a) .

21 (d) No limit for personal protection insurance benefits under
22 section 3107(1) (a) .

23 (2) The form required under subsection (1) must do all of the
24 following:

25 (a) State, in a conspicuous manner, the benefits and risks
26 associated with each coverage option.

27 (b) Provide a way for the applicant or named insured to mark
28 the form to acknowledge that he or she has read the form and
29 understands the options available.



1 (c) Allow the applicant or named insured to mark the form to
2 make the selection of coverage level under subsection (1).

3 (d) Require the applicant or named insured to sign the form.

4 (3) If an insurance policy is issued or renewed as described
5 in subsection (1) and the applicant or named insured has not made
6 an effective selection under subsection (1) but a premium or
7 premium installment has been paid, there is a rebuttable
8 presumption that the amount of the premium or installment paid
9 accurately reflects the level of coverage applicable to the policy
10 under subsection (1).

11 (4) If an insurance policy is issued or renewed as described
12 in subsection (1), the applicant or named insured has not made an
13 effective selection under subsection (1), and a presumption under
14 subsection (3) does not apply, subsection (1)(d) applies to the
15 policy.

16 (5) The coverage level selected under subsection (1) applies
17 to the named insured, the named insured's spouse, and a relative of
18 either domiciled in the same household, and any other person with a
19 right to claim personal protection insurance benefits under the
20 policy. **However, a coverage level selected under subsection (1)(a),**
21 **(b), or (c) does not apply to a minor child of the named insured,**
22 **and the minor is entitled to coverage as provided under subsection**
23 **(1)(d) .**

24 (6) If benefits are payable under section 3107(1)(a) under 2
25 or more insurance policies, the benefits are only payable up to an
26 aggregate coverage limit that equals the highest available coverage
27 limit under any 1 of the policies.

28 (7) This section applies for a transportation network company
29 vehicle, but an applicant or named insured that is a transportation



1 network company shall only select limits under either subsection
2 (1)(b), (c), or (d). As used in this subsection:

3 (a) "Transportation network company" means that term as
4 defined in section 2 of the limousine, taxicab, and transportation
5 network company act, 2016 PA 345, MCL 257.2102.

6 (b) "Transportation network company vehicle" means that term
7 as defined in section 3114.

8 (8) An insurer shall offer, for a policy that provides the
9 security required under section 3101(1) to which a limit under
10 subsection (1)(a) to (c) applies, a rider that will provide
11 coverage for attendant care in excess of the applicable limit.

