

Legislative Analysis



ALLOWING DISABLED VETERANS TO WAIVE WORK LOSS BENEFIT COVERAGE

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House Bill 5057 as reported from committee
Sponsor: Rep. Lori M. Stone
Committee: Insurance and Financial Services
Complete to 10-14-23

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

House Bill 5057 would amend the Insurance Code to allow disabled veterans to waive coverage for work loss benefits under personal protection insurance benefits if they would not be able to receive coverage under the act.

Currently, the Insurance Code provides that payable personal protection insurance benefits include benefits for work loss due to the loss of income from work an injured person for work the individual would have performed, if not for the injury, for up to three years after the day of the accident. The act allows individuals who are at least 60 years old to waive coverage for work loss benefits, by signing a form provided by the insurer, if they would not be able to receive them and requires insurers to offer a reduced premium rate for those who sign the waiver.

The bill would add the option for a person who has been determined by the United States Department of Veterans Affairs to be permanently and totally disabled as a result of military service and to be entitled to veterans' benefits at the 100% rate to waive coverage for work loss benefits under the same procedure and conditions available to those 60 years or older.

MCL 500.3107

BRIEF DISCUSSION:

According to committee testimony, veterans with a 100% injury designation are unable to work, and the bill is intended to allow them to avoid paying for coverage they would never be able to use.

FISCAL IMPACT:

The bill would not have a fiscal impact on any state or local government units.

POSITIONS:

A representative of the Department of Insurance and Financial Services testified in support of the bill. (10-5-23)

Big I Michigan indicated support for the bill. (10-5-23)

The Mackinac Center indicated opposition to the bill. (10-5-23)

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