



# HOUSE BILL No. 5405

November 9, 1995, Introduced by Reps. Varga, Law and Nye and referred to the Committee on Insurance.

A bill to amend sections 3101 and 3103 of Act No. 218 of the Public Acts of 1956, entitled as amended "The insurance code of 1956," section 3101 as amended by Act No. 126 of the Public Acts of 1988 and section 3103 as amended by Act No. 173 of the Public Acts of 1986, being sections 500.3101 and 500.3103 of the Michigan Compiled Laws; and to repeal acts and parts of acts.

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

1 Section 1. Sections 3101 and 3103 of Act No. 218 of the  
2 Public Acts of 1956, section 3101 as amended by Act No. 126 of  
3 the Public Acts of 1988 and section 3103 as amended by Act  
4 No. 173 of the Public Acts of 1986, being sections 500.3101 and  
5 500.3103 of the Michigan Compiled Laws, are amended to read as  
6 follows:

1       Sec. 3101. (1) The owner or registrant of a motor vehicle  
2 required to be registered in this state ~~shall~~ MAY maintain  
3 security for payment of benefits under personal protection insur-  
4 ance, property protection insurance, and residual liability  
5 insurance. ~~Security shall only be required to be in effect~~  
6 ~~during the period the motor vehicle is driven or moved upon a~~  
7 ~~highway.~~ Notwithstanding any other provision in this act, an  
8 insurer that has issued an automobile insurance policy on a motor  
9 vehicle that is not driven or moved upon a highway may allow the  
10 insured owner or registrant of the motor vehicle to delete a por-  
11 tion of the coverages under the policy and maintain the compre-  
12 hensive coverage portion of the policy in effect.

13       (2) As used in this chapter:

14       (a) "Automobile insurance" means that term as defined in  
15 section 2102.

16       (b) "Highway" means that term as defined in section 20 of  
17 the Michigan vehicle code, Act No. 300 of the Public Acts of  
18 1949, being section 257.20 of the Michigan Compiled Laws.

19       (c) "Motorcycle" means a vehicle having a saddle or seat for  
20 the use of the rider, designed to travel on not more than 3  
21 wheels in contact with the ground, ~~which~~ AND THAT is equipped  
22 with a motor that exceeds 50 cubic centimeters piston  
23 displacement. The wheels on any attachment to the vehicle shall  
24 not be considered as wheels in contact with the ground.  
25 Motorcycle does not include a moped, as defined in section 32b of  
26 ~~the Michigan vehicle code,~~ Act No. 300 of the Public Acts of  
27 1949, being section 257.32b of the Michigan Compiled Laws.

1 (d) "Motorcycle accident" means a loss involving the  
2 ownership, operation, maintenance, or use of a motorcycle as a  
3 motorcycle, but not involving the ownership, operation, mainte-  
4 nance, or use of a motor vehicle as a motor vehicle.

5 (e) "Motor vehicle" means a vehicle, including a trailer,  
6 operated or designed for operation upon a public highway by power  
7 other than muscular power which has more than 2 wheels. Motor  
8 vehicle does not include a motorcycle or a moped, as defined in  
9 section 32b of Act No. 300 of the Public Acts of 1949, being sec-  
10 tion 257.32b of the Michigan Compiled Laws. Motor vehicle does  
11 not include a farm tractor or other implement of husbandry which  
12 is not subject to the registration requirements of ~~the Michigan~~  
13 ~~vehicle code pursuant to~~ section 216 of ~~the Michigan vehicle~~  
14 ~~code,~~ Act No. 300 of the Public Acts of 1949, being section  
15 257.216 of the Michigan Compiled Laws.

16 (f) "Motor vehicle accident" means a loss involving the  
17 ownership, operation, maintenance, or use of a motor vehicle as a  
18 motor vehicle regardless of whether the accident also involves  
19 the ownership, operation, maintenance, or use of a motorcycle as  
20 a motorcycle.

21 (g) "Owner" means any of the following:

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

25 (ii) A person who holds the legal title to a vehicle, other  
26 than a person engaged in the business of leasing motor vehicles  
27 who is the lessor of a motor vehicle pursuant to a lease

1 providing for the use of the motor vehicle by the lessee for a  
2 period that is greater than 30 days.

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

5 (h) "Registrant" does not include a person engaged in the  
6 business of leasing motor vehicles who is the lessor of a motor  
7 vehicle pursuant to a lease providing for the use of the motor  
8 vehicle by the lessee for a period that is greater than 30 days.

9 (3) Security may be provided under a policy issued by an  
10 insurer duly authorized to transact business in this state  
11 ~~which~~ THAT affords insurance for the payment of benefits  
12 described in subsection (1). A policy of insurance represented  
13 or sold as providing security shall be deemed to provide insur-  
14 ance for the payment of the benefits.

15 (4) Security ~~required by~~ UNDER subsection (1) may be pro-  
16 vided by any other method approved by the secretary of state as  
17 affording security equivalent to that afforded by a policy of  
18 insurance, if proof of the security is filed and continuously  
19 maintained with the secretary of state throughout the period the  
20 motor vehicle is driven or moved upon a highway. The person  
21 filing the security has all the obligations and rights of an  
22 insurer under this chapter. When the context permits, "insurer"  
23 as used in this chapter, includes any person filing the security  
24 as provided in this section.

25 Sec. 3103. (1) An owner or registrant of a motorcycle  
26 ~~shall~~ MAY provide security against loss resulting from  
27 liability imposed by law for property damage, bodily injury, or

1 death suffered by a person arising out of the ownership,  
2 maintenance, or use of that motorcycle. ~~The security shall con-~~  
3 ~~form with the requirements of section 3009(1).~~

4 (2) Each insurer transacting insurance in this state ~~which~~  
5 THAT affords coverage for a motorcycle as described in subsection  
6 (1) also shall offer, to an owner or registrant of a motorcycle,  
7 security for the payment of first-party medical benefits only, in  
8 increments of \$5,000.00, payable in the event the owner or regis-  
9 trant is involved in a motorcycle accident. An insurer providing  
10 first-party medical benefits may offer, at appropriate premium  
11 rates, deductibles, provisions for the coordination of these ben-  
12 efits, and provisions for the subtraction of other benefits pro-  
13 vided or required to be provided under the laws of any state or  
14 the federal government, subject to the prior approval of the  
15 commissioner. These deductibles and provisions shall apply only  
16 to benefits payable to the person named in the policy, the spouse  
17 of the insured, and any relative of either domiciled in the same  
18 household.

19 Section 2. Section 3102 of Act No. 218 of the Public Acts  
20 of 1956, being section 500.3102 of the Michigan Compiled Laws, is  
21 repealed.