

# SENATE BILL No. 433

April 27, 2005, Introduced by Senator HAMMERSTROM and referred to the Committee on Banking and Financial Institutions.

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending sections 3109a and 3114 (MCL 500.3109a and 500.3114),  
section 3114 as amended by 2002 PA 38.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Sec. 3109a. An insurer providing personal protection insurance  
2       benefits shall offer, at appropriately reduced premium rates,  
3       deductibles and exclusions reasonably related to other health and  
4       accident coverage on the insured. The deductibles and exclusions  
5       required to be offered by this section ~~shall be~~ **ARE** subject to  
6       prior approval by the commissioner and ~~shall~~ apply ~~only to~~  
7       ~~benefits payable to the person named in the policy, the spouse of~~  
8       ~~the insured and any relative of either domiciled in the same~~

1 ~~household~~ **TO ANY PERSON CLAIMING BENEFITS UNDER THE POLICY.**

2       Sec. 3114. (1) Except as provided in subsections (2), (3), and  
3 (5), a personal protection insurance policy described in section  
4 3101(1) applies to accidental bodily injury to the person named in  
5 the policy, the person's spouse, and a relative of either domiciled  
6 in the same household, if the injury arises from a motor vehicle  
7 accident. A personal injury insurance policy described in section  
8 3103(2) applies to accidental bodily injury to the person named in  
9 the policy, the person's spouse, and a relative of either domiciled  
10 in the same household, if the injury arises from a motorcycle  
11 accident. When personal protection insurance benefits or personal  
12 injury benefits described in section 3103(2) are payable to or for  
13 the benefit of an injured person under his or her own policy and  
14 would also be payable under the policy of his or her spouse,  
15 relative, or relative's spouse, the injured person's insurer shall  
16 pay all of the benefits and is not entitled to recoupment from the  
17 other insurer.

18       (2) A person suffering accidental bodily injury while an  
19 operator or a passenger of a motor vehicle operated in the business  
20 of transporting passengers shall receive the personal protection  
21 insurance benefits to which the person is entitled from the insurer  
22 of the motor vehicle. This subsection does not apply to a passenger  
23 in the following, unless that passenger is not entitled to personal  
24 protection insurance benefits under any other policy:

25       (a) A school bus, as defined by the department of education,  
26 providing transportation not prohibited by law.

27       (b) A bus operated by a common carrier of passengers certified

1 by the department of transportation.

2 (c) A bus operating under a government sponsored  
3 transportation program.

4 (d) A bus operated by or providing service to a nonprofit  
5 organization.

6 (e) A taxicab insured as prescribed in section 3101 or 3102.

7 (f) A bus operated by a canoe **LIVERY** or other watercraft,  
8 bicycle, or horse livery used only to transport passengers to or  
9 from a destination point.

10 (3) An employee, his or her spouse, or a relative of either  
11 domiciled in the same household, who suffers accidental bodily  
12 injury while an occupant of a motor vehicle owned or registered by  
13 the employer, shall receive personal protection insurance benefits  
14 to which the employee is entitled from the insurer of the furnished  
15 vehicle.

16 (4) Except as provided in subsections (1) to (3), a person  
17 suffering accidental bodily injury arising from a motor vehicle  
18 accident while an occupant of a motor vehicle shall claim personal  
19 protection insurance benefits from insurers in the following order  
20 of priority:

21 (a) The insurer of the owner or registrant of the vehicle  
22 occupied.

23 (b) The insurer of the operator of the vehicle occupied.

24 (5) A person suffering accidental bodily injury arising from a  
25 motor vehicle accident ~~which~~ **THAT** shows evidence of the  
26 involvement of a motor vehicle while an operator or passenger of a  
27 motorcycle shall claim personal protection insurance benefits from

1 insurers in the following order of priority:

2 ~~—— (a) The insurer of the owner or registrant of the motor~~  
3 ~~vehicle involved in the accident.~~

4 ~~—— (b) The insurer of the operator of the motor vehicle involved~~  
5 ~~in the accident.~~

6 ~~—— (c) The motor vehicle insurer of the operator of the~~  
7 ~~motorcycle involved in the accident.~~

8 (A) ~~—(d)—~~ The motor vehicle insurer of the owner or registrant  
9 of the motorcycle involved in the accident.

10 (B) THE MOTOR VEHICLE INSURER OF THE OPERATOR OF THE  
11 MOTORCYCLE INVOLVED IN THE ACCIDENT.

12 (C) THE INSURER OF THE OWNER OR REGISTRANT OF THE MOTOR  
13 VEHICLE INVOLVED IN THE ACCIDENT.

14 (D) THE INSURER OF THE OPERATOR OF THE MOTOR VEHICLE INVOLVED  
15 IN THE ACCIDENT.

16 (6) If 2 or more insurers are in the same order of priority to  
17 provide personal protection insurance benefits under subsection  
18 (5), an insurer paying benefits due is entitled to partial  
19 recoupment from the other insurers in the same order of priority,  
20 together with a reasonable amount of partial recoupment of the  
21 expense of processing the claim, in order to accomplish equitable  
22 distribution of the loss among all of the insurers.