

HOUSE BILL NO. 5667

January 18, 2022, Introduced by Reps. Clements and Steenland 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)~~**3101** and is
4 issued or renewed after July 1, 2020, the applicant or named
5 insured shall, in a way required under section 3107e and on a form
6 approved by the director, select 1 of the following coverage levels

1 for personal protection insurance benefits under section
2 3107(1) (a) :

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

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

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

16 (b) A limit of \$250,000.00 per individual per loss occurrence
17 for any personal protection insurance benefits under section
18 3107(1) (a) .

19 (c) A limit of \$500,000.00 per individual per loss occurrence
20 for any personal protection insurance benefits under section
21 3107(1) (a) .

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

24 **(2) An effective selection under subsection (1) applies while**
25 **the insured continues to be insured under a policy that provides**
26 **the security required by section 3101 that is issued by the same**
27 **insurer or an affiliate of the insurer, as defined in section 2102,**
28 **or until a policy is issued in accordance with a different**
29 **effective selection under subsection (1) by the insured.**

1 (3) ~~(2)~~—The form required under subsection (1) must do all of
2 the following:

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

5 **(b) State, in a conspicuous manner, that a selection will**
6 **remain in effect while the insured remains insured with the same**
7 **insurer or an affiliate unless the insured selects a different**
8 **coverage option.**

9 (c) ~~(b)~~—Provide a way for the applicant or named insured to
10 mark the form to acknowledge that he or she has read the form and
11 understands the options available.

12 (d) ~~(e)~~—Allow the applicant or named insured to mark the form
13 to make the selection of coverage level under subsection (1).

14 (e) ~~(d)~~—Require the applicant or named insured to sign the
15 form.

16 (4) ~~(3)~~—If an insurance policy is issued or renewed as
17 described in subsection (1) and the applicant or named insured has
18 not made an effective selection under subsection (1) but a premium
19 or premium installment has been paid, there is a rebuttable
20 presumption that the amount of the premium or installment paid
21 accurately reflects the level of coverage applicable to the policy
22 under subsection (1).

23 (5) ~~(4)~~—If an insurance policy is issued or renewed as
24 described in subsection (1), the applicant or named insured has not
25 made an effective selection under subsection (1), and a presumption
26 under subsection ~~(3)~~ **(4)** does not apply, subsection (1)(d) applies
27 to the policy.

28 (6) ~~(5)~~—The coverage level selected under subsection (1)
29 applies to the named insured, the named insured's spouse, and a

1 relative of either domiciled in the same household, and any other
2 person with a right to claim personal protection insurance benefits
3 under the policy.

4 (7) ~~(6)~~—If benefits are payable under section 3107(1)(a) under
5 2 or more insurance policies, the benefits are only payable up to
6 an aggregate coverage limit that equals the highest available
7 coverage limit under any 1 of the policies.

8 (8) ~~(7)~~—This section applies for a transportation network
9 company vehicle, but an applicant or named insured that is a
10 transportation network company shall only select limits under
11 either subsection (1)(b), (c), or (d). As used in this subsection:

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

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

17 (9) ~~(8)~~—An insurer shall offer, for a policy that provides the
18 security required under section ~~3101(1)~~ **3101** to which a limit under
19 subsection (1)(a) to (c) applies, a rider that will provide
20 coverage for attendant care in excess of the applicable limit.