

HOUSE BILL No. 5135

October 7, 2003, Introduced by Rep. Mortimer and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled
"The insurance code of 1956,"
by amending section 3107 (MCL 500.3107), as amended by 1991
PA 191.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3107. (1) Except as provided in subsection (2),
2 personal protection insurance benefits are payable for the
3 following:

4 (a) Allowable expenses consisting of all reasonable charges
5 incurred for reasonably necessary products, services, and
6 accommodations for an injured person's care, recovery, or
7 rehabilitation. ~~Allowable expenses within personal protection~~
8 ~~insurance coverage shall not include charges for a hospital room~~
9 ~~in excess of a reasonable and customary charge for semiprivate~~
10 ~~accommodations except if the injured person requires special or~~

1 ~~intensive care, or for funeral and burial expenses in the amount~~
2 ~~set forth in the policy which shall not be less than \$1,750.00 or~~
3 ~~more than \$5,000.00.~~

4 (b) Work loss consisting of loss of income from work an
5 injured person would have performed during the first 3 years
6 after the date of the accident if he or she had not been
7 injured. Work loss does not include any loss after the date on
8 which the injured person dies. Because the benefits received
9 from personal protection insurance for loss of income are not
10 taxable income, the benefits payable for such loss of income
11 shall be reduced 15% unless the claimant presents to the insurer
12 in support of his or her claim reasonable proof of a lower value
13 of the income tax advantage in his or her case, in which case the
14 lower value shall apply. ~~Beginning March 30, 1973~~ **For the**
15 **period October 1, 2001 through September 30, 2002**, the benefits
16 payable for work loss sustained in a single 30-day period and the
17 income earned by an injured person for work during the same
18 period together shall not exceed ~~\$1,000.00~~ **\$4,027.00**, which
19 maximum shall apply pro rata to any lesser period of work loss.
20 Beginning October 1, ~~1974~~ **2002**, the maximum shall be adjusted
21 annually to reflect changes in the cost of living under rules
22 prescribed by the commissioner but any change in the maximum
23 shall apply only to benefits arising out of accidents occurring
24 ~~subsequent to~~ **after** the date of change in the maximum.

25 (c) Expenses not exceeding \$20.00 per day, reasonably
26 incurred in obtaining ordinary and necessary services in lieu of
27 those that, if he or she had not been injured, an injured person

1 would have performed during the first 3 years after the date of
2 the accident, not for income but for the benefit of himself or
3 herself or of his or her dependent.

4 (2) A person who is 60 years of age or older and in the event
5 of an accidental bodily injury would not be eligible to receive
6 work loss benefits under subsection (1)(b) may waive coverage for
7 work loss benefits by signing a waiver on a form provided by the
8 insurer. An insurer shall offer a reduced premium rate to a
9 person who waives coverage under this subsection for work loss
10 benefits. Waiver of coverage for work loss benefits applies only
11 to work loss benefits payable to the person or persons who have
12 signed the waiver form.

13 (3) **As used in this section:**

14 (a) **Allowable expenses within personal protection insurance**
15 **coverage shall not include charges for a hospital room in excess**
16 **of a reasonable and customary charge for semiprivate**
17 **accommodations except if the injured person requires special or**
18 **intensive care.**

19 (b) **Allowable expenses for funeral and burial expenses shall**
20 **not include charges in excess of the amount set forth in the**
21 **policy which shall not be less than \$1,750.00 or more than**
22 **\$5,000.00.**

23 (c) **Allowable expenses for home health care services**
24 **including room and board, transportation, and case management**
25 **shall not exceed the reasonable and customary daily rate for the**
26 **reasonable and necessary institutional care that would be**
27 **required for the injured person in the community in which the**

1 injured person resides or, if unavailable in the injured person's
2 resident locale, the geographic area closest to the injured
3 person's resident locale where such institutional care could be
4 provided. Allowable expenses for home health care service
5 provided by the injured person's spouse, brother, sister, child,
6 stepchild, parent, extended family member, or member of the same
7 household, whether or not employed by a home health care provider
8 to perform that service, shall not exceed \$10.00 per hour. This
9 hourly rate shall be adjusted on January 1, 2004 and on January 1
10 biennially thereafter based on the percentage increase or
11 decrease in the consumer price index rounded to the nearest whole
12 dollar. Allowable expenses provided for under this subdivision
13 are issues of law to be decided by the court. As used in this
14 subdivision:

15 (i) "Consumer price index" means the percentage of change in
16 the consumer price index for all urban consumers in the United
17 States city average for all items for the 24 months prior to the
18 January 1 effective date of the biennial adjustment as reported
19 by the United States department of labor, bureau of labor
20 statistics, and as certified by the commissioner.

21 (ii) "Home health care service" means a reasonably necessary
22 service, including medical care, activities of daily living,
23 executive functions, or supervision, provided by a skilled or
24 unskilled caregiver to an injured person in a noninstitutional
25 setting.

26 (iii) "Transportation" means the cost of 1 person
27 transporting the injured person in a vehicle from 1 place to

1 another.