

**SUBSTITUTE FOR  
SENATE BILL NO. 787**

A bill to amend 1956 PA 218, entitled  
"The insurance code of 1956,"  
by amending sections 3104, 3107, 3114, and 3115 (MCL 500.3104,  
500.3107, 500.3114, and 500.3115), section 3104 as amended by 2002  
PA 662, section 3107 as amended by 2012 PA 542, and section 3114 as  
amended by 2016 PA 347, and by adding sections 1245 and 3109b.

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

1           **SEC. 1245. AN INSURANCE PRODUCER OR AN EMPLOYEE OR AGENT OF AN**  
2 **INSURANCE PRODUCER IS NOT LIABLE FOR DAMAGES CAUSED BY THE CONDUCT**  
3 **OF THE PRODUCER, EMPLOYEE, OR AGENT RELATED TO OBTAINING OR**  
4 **PROVIDING INFORMATION, OR THE CHOICE OF PERSONAL PROTECTION**  
5 **INSURANCE BENEFITS BY AN INSURED, UNDER SECTION 3109B.**

6           Sec. 3104. (1) ~~An~~**THE CATASTROPHIC CLAIMS ASSOCIATION IS**  
7 **CREATED AS AN** unincorporated, nonprofit association. ~~to be known as~~

1 ~~the catastrophic claims association, hereinafter referred to as the~~  
2 ~~association, is created.~~ Each insurer engaged in writing insurance  
3 coverages that provide the security required by section 3101(1)  
4 within this state, as a condition of its authority to transact  
5 insurance in this state, shall be a member of the association and  
6 ~~shall be IS~~ bound by the plan of operation of the association. ~~Each~~  
7 **AN** insurer engaged in writing insurance coverages that provide the  
8 security required by section 3103(1) ~~within IN~~ this state, as a  
9 condition of its authority to transact insurance in this state,  
10 ~~shall be IS~~ considered **TO BE** a member of the association, but only  
11 for purposes of premiums under subsection (7)(d). Except as  
12 expressly provided in this section, the association is not subject  
13 to any laws of this state with respect to insurers, but in all  
14 other respects the association is subject to the laws of this state  
15 to the extent that the association would be if it were an insurer  
16 organized and subsisting under chapter 50.

17 (2) The association shall provide and each member shall accept  
18 indemnification for 100% of the amount of ultimate loss sustained  
19 under personal protection insurance coverages in excess of the  
20 following amounts in each loss occurrence:

21 (a) For a motor vehicle accident policy issued or renewed  
22 before July 1, 2002, \$250,000.00.

23 (b) For a motor vehicle accident policy issued or renewed  
24 during the period July 1, 2002 to June 30, 2003, \$300,000.00.

25 (c) For a motor vehicle accident policy issued or renewed  
26 during the period July 1, 2003 to June 30, 2004, \$325,000.00.

27 (d) For a motor vehicle accident policy issued or renewed

1 during the period July 1, 2004 to June 30, 2005, \$350,000.00.

2 (e) For a motor vehicle accident policy issued or renewed  
3 during the period July 1, 2005 to June 30, 2006, \$375,000.00.

4 (f) For a motor vehicle accident policy issued or renewed  
5 during the period July 1, 2006 to June 30, 2007, \$400,000.00.

6 (g) For a motor vehicle accident policy issued or renewed  
7 during the period July 1, 2007 to June 30, 2008, \$420,000.00.

8 (h) For a motor vehicle accident policy issued or renewed  
9 during the period July 1, 2008 to June 30, 2009, \$440,000.00.

10 (i) For a motor vehicle accident policy issued or renewed  
11 during the period July 1, 2009 to June 30, 2010, \$460,000.00.

12 (j) For a motor vehicle accident policy issued or renewed  
13 during the period July 1, 2010 to June 30, 2011, \$480,000.00.

14 (k) For a motor vehicle accident policy issued or renewed  
15 during the period July 1, 2011 to June 30, 2013, \$500,000.00.

16 **(l) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED**  
17 **DURING THE PERIOD JULY 1, 2013 TO JUNE 30, 2015, \$530,000.00.**

18 **(M) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED**  
19 **DURING THE PERIOD JULY 1, 2015 TO JUNE 30 2017, \$545,000.00.**

20 **(N) FOR A MOTOR VEHICLE ACCIDENT POLICY ISSUED OR RENEWED**  
21 **DURING THE PERIOD JULY 1, 2017 TO JUNE 30, 2019, \$555,000.00.**

22 Beginning July 1, ~~2013, 2019~~, this ~~\$500,000.00~~ **\$555,000.00** amount  
23 ~~shall~~ **MUST** be increased biennially on July 1 of each odd-numbered  
24 year, for policies issued or renewed before July 1 of the following  
25 odd-numbered year, by the lesser of 6% or the ~~consumer price index,~~  
26 **CONSUMER PRICE INDEX**, and rounded to the nearest \$5,000.00. ~~This~~  
27 **THE ASSOCIATION SHALL CALCULATE THIS** biennial adjustment ~~shall be~~

1 ~~calculated by the association~~ by January 1 of the year of its July  
2 1 effective date.

3 (3) An insurer may withdraw from the association only ~~upon~~**ON**  
4 ceasing to write insurance that provides the security required by  
5 section 3101(1) in this state.

6 (4) An insurer whose membership in the association has been  
7 terminated by withdrawal ~~shall continue~~**CONTINUES** to be bound by  
8 the plan of operation, and ~~upon~~**ON** withdrawal, all unpaid premiums  
9 that have been charged to the withdrawing member are payable as of  
10 the effective date of the withdrawal.

11 (5) An unsatisfied net liability to the association of an  
12 insolvent member ~~shall~~**MUST** be assumed by and apportioned among the  
13 remaining members of the association as provided in the plan of  
14 operation. The association has all rights allowed by law on behalf  
15 of the remaining members against the estate or funds of the  
16 insolvent member for ~~sums~~**MONEY** due the association.

17 (6) If a member has been merged or consolidated into another  
18 insurer or another insurer has reinsured a member's entire business  
19 that provides the security required by section 3101(1) in this  
20 state, the member and successors in interest of the member remain  
21 liable for the member's obligations.

22 (7) The association shall do all of the following on behalf of  
23 the members of the association:

24 (a) Assume 100% of all liability as provided in subsection  
25 (2).

26 (b) Establish procedures by which members ~~shall~~**MUST** promptly  
27 report to the association each claim that, on the basis of the

1 injuries or damages sustained, may reasonably be anticipated to  
2 involve the association if the member is ultimately held legally  
3 liable for the injuries or damages. Solely for the purpose of  
4 reporting claims, the member shall in all instances consider itself  
5 legally liable for the injuries or damages. The member shall also  
6 advise the association of subsequent developments likely to  
7 materially affect the interest of the association in the claim.

8 (c) Maintain relevant loss and expense data relative to all  
9 liabilities of the association and require each member to furnish  
10 statistics, in connection with liabilities of the association, at  
11 the times and in the form and detail as ~~may be~~ required by the plan  
12 of operation.

13 (d) In a manner provided for in the plan of operation,  
14 calculate and charge to members of the association a total premium  
15 sufficient to cover the expected losses and expenses of the  
16 association that the association will likely incur during the  
17 period for which the premium is applicable. The **TOTAL** premium ~~shall~~  
18 **MUST** include an amount to cover incurred but not reported losses  
19 for the period and may be adjusted for any excess or deficient  
20 premiums from previous periods. Excesses or deficiencies from  
21 previous periods may be fully adjusted in a single period or may be  
22 adjusted over several periods in a manner provided for in the plan  
23 of operation. Each member ~~shall~~ **MUST** be charged an amount equal to  
24 that member's total written car years of insurance providing the  
25 security required by section 3101(1) or 3103(1), or both, written  
26 in this state during the period to which the premium applies, **WITH**  
27 **THE TOTAL CAR YEARS OF INSURANCE** multiplied by the **APPLICABLE**

1 average premium per car. The average premium per car ~~shall be~~ **IS**  
2 the total premium ~~calculated~~ divided by the total written car years  
3 of insurance providing the security required by section 3101(1) or  
4 3103(1) written in this state of all members during the period to  
5 which the premium applies. **THE PREMIUM CHARGED TO A MEMBER, THE**  
6 **TOTAL CAR YEARS OF INSURANCE, AND THE APPLICABLE AVERAGE PREMIUM**  
7 **PER CAR MUST BE ADJUSTED TO PROVIDE FOR POLICIES ISSUED TO WHICH**  
8 **THE MAXIMUM LIMIT UNDER SECTION 3109B(1) (A) APPLIES.** A member ~~shall~~  
9 **MUST** be charged a premium for a historic vehicle that is insured  
10 with the member of 20% of the premium charged for a car insured  
11 with the member. As used in this subdivision:

12 (i) "Car" includes a motorcycle but does not include a  
13 historic vehicle.

14 (ii) "Historic vehicle" means a vehicle that is a registered  
15 historic vehicle under section 803a or 803p of the Michigan vehicle  
16 code, 1949 PA 300, MCL 257.803a and 257.803p.

17 (e) Require and accept the payment of premiums from members of  
18 the association as provided for in the plan of operation. The  
19 association shall do either of the following:

20 (i) Require payment of the premium in full within 45 days  
21 after the premium charge.

22 (ii) Require payment of the premiums to be made periodically  
23 to cover the actual cash obligations of the association.

24 (f) Receive and distribute all ~~sums~~ **MONEY** required by the  
25 operation of the association.

26 (g) Establish procedures for reviewing claims procedures and  
27 practices of members of the association. If the claims procedures

1 or practices of a member are considered inadequate to properly  
2 service the liabilities of the association, the association may  
3 undertake or may contract with another person, including another  
4 member, to adjust or assist in the adjustment of claims for the  
5 member on claims that create a potential liability to the  
6 association and may charge the cost of the adjustment to the  
7 member.

8 (8) In addition to other powers granted to it by this section,  
9 the association may do all of the following:

10 (a) Sue and be sued in the name of the association. A judgment  
11 against the association ~~shall~~**DOES** not create any direct liability  
12 against the individual members of the association. The association  
13 may provide for the indemnification of its members, members of the  
14 board of directors of the association, and officers, employees, and  
15 other persons lawfully acting on behalf of the association.

16 (b) Reinsure all or any portion of its potential liability  
17 with reinsurers licensed to transact insurance in this state or  
18 approved by the ~~commissioner~~**DIRECTOR OF THE DEPARTMENT**.

19 (c) Provide for appropriate housing, equipment, and personnel  
20 as ~~may be~~ necessary to assure the efficient operation of the  
21 association.

22 (d) Pursuant to the plan of operation, adopt reasonable rules  
23 for the administration of the association, enforce those rules, and  
24 delegate authority, as the board considers necessary to assure the  
25 proper administration and operation of the association consistent  
26 with the plan of operation.

27 (e) Contract for goods and services, including independent

1 claims management, actuarial, investment, and legal services, from  
2 others ~~within~~ **IN** or ~~without~~ **OUTSIDE OF** this state to assure the  
3 efficient operation of the association.

4 (f) Hear and determine complaints of a company or other  
5 interested party concerning the operation of the association.

6 (g) Perform other acts not specifically enumerated in this  
7 section that are necessary or proper to accomplish the purposes of  
8 the association and that are not inconsistent with this section or  
9 the plan of operation.

10 (9) A board of directors is created, ~~hereinafter referred to~~  
11 ~~as the board, which shall be responsible for the operation of~~ **AND**  
12 **SHALL OPERATE** the association consistent with the plan of operation  
13 and this section.

14 (10) The plan of operation ~~shall~~ **MUST** provide for all of the  
15 following:

16 (a) The establishment of necessary facilities.

17 (b) The management and operation of the association.

18 (c) Procedures to be utilized in charging premiums, including  
19 adjustments from excess or deficient premiums from prior periods.

20 (d) Procedures governing the actual payment of premiums to the  
21 association.

22 (e) Reimbursement of each member of the board by the  
23 association for actual and necessary expenses incurred on  
24 association business.

25 (f) The investment policy of the association.

26 (g) Any other matters required by or necessary to effectively  
27 implement this section.



1           (11) ~~Each~~ **THE** board ~~shall~~ **MUST** include members that would  
 2 contribute a total of not less than 40% of the total premium  
 3 calculated pursuant to subsection (7) (d). Each director ~~shall be~~ **IS**  
 4 entitled to 1 vote. The initial term of office of a director ~~shall~~  
 5 ~~be~~ **IS** 2 years.

6           (12) As part of the plan of operation, the board shall adopt  
 7 rules providing for the composition ~~and term of successor boards to~~  
 8 the ~~initial~~ board **AND THE TERMS OF BOARD MEMBERS**, consistent with  
 9 the membership composition requirements in subsections (11) and  
 10 (13). Terms of the directors ~~shall~~ **MUST** be staggered so that the  
 11 terms of all the directors do not expire at the same time and so  
 12 that a director does not serve a term of more than 4 years.

13           (13) The board ~~shall~~ **MUST** consist of 5 directors ~~,~~ and the  
 14 ~~commissioner~~ **DIRECTOR OF THE DEPARTMENT, WHO** shall ~~be~~ **SERVE AS** an  
 15 ex officio member of the board without vote.

16           (14) ~~Each director~~ **THE DIRECTOR OF THE DEPARTMENT** shall be  
 17 ~~appointed by the commissioner and~~ **APPOINT THE DIRECTORS. A DIRECTOR**  
 18 shall serve until ~~that member's~~ **HIS OR HER** successor is selected  
 19 and qualified. The **BOARD SHALL ELECT THE** chairperson of the board.  
 20 ~~shall be elected by the board. A~~ **THE DIRECTOR OF THE DEPARTMENT**  
 21 **SHALL FILL ANY** vacancy on the board ~~shall be filled by the~~  
 22 ~~commissioner consistent with~~ **AS PROVIDED IN** the plan of operation.

23           (15) ~~After the board is appointed, the~~ **THE** board shall meet as  
 24 often as the chairperson, the ~~commissioner,~~ **DIRECTOR OF THE**  
 25 **DEPARTMENT,** or the plan of operation ~~shall require,~~ **REQUIRES,** or at  
 26 the request of any 3 members of the board. The chairperson ~~shall~~  
 27 ~~retain the right to~~ **MAY** vote on all issues. Four members of the

1 board constitute a quorum.

2 (16) ~~An~~ **THE BOARD SHALL FURNISH TO EACH MEMBER AN** annual  
3 report of the operations of the association in a form and detail as  
4 may be determined by the board. ~~shall be furnished to each member.~~

5 ~~—— (17) Not more than 60 days after the initial organizational~~  
6 ~~meeting of the board, the board shall submit to the commissioner~~  
7 ~~for approval a proposed plan of operation consistent with the~~  
8 ~~objectives and provisions of this section, which shall provide for~~  
9 ~~the economical, fair, and nondiscriminatory administration of the~~  
10 ~~association and for the prompt and efficient provision of~~  
11 ~~indemnity. If a plan is not submitted within this 60 day period,~~  
12 ~~then the commissioner, after consultation with the board, shall~~  
13 ~~formulate and place into effect a plan consistent with this~~  
14 ~~section.~~

15 ~~—— (18) The plan of operation, unless approved sooner in writing,~~  
16 ~~shall be considered to meet the requirements of this section if it~~  
17 ~~is not disapproved by written order of the commissioner within 30~~  
18 ~~days after the date of its submission. Before disapproval of all or~~  
19 ~~any part of the proposed plan of operation, the commissioner shall~~  
20 ~~notify the board in what respect the plan of operation fails to~~  
21 ~~meet the requirements and objectives of this section. If the board~~  
22 ~~fails to submit a revised plan of operation that meets the~~  
23 ~~requirements and objectives of this section within the 30 day~~  
24 ~~period, the commissioner shall enter an order accordingly and shall~~  
25 ~~immediately formulate and place into effect a plan consistent with~~  
26 ~~the requirements and objectives of this section.~~

27 (17) ~~(19) The proposed plan of operation or~~ **ANY** amendments to

1 the plan of operation **OF THE ASSOCIATION** are subject to majority  
 2 approval by the board, ~~ratified-RATIFICATION~~ by a majority of the  
 3 membership having a vote, with voting rights being apportioned  
 4 according to the premiums charged in subsection (7)(d) and ~~are~~  
 5 ~~subject to approval by the commissioner-DIRECTOR OF THE DEPARTMENT.~~

6 (18) ~~(20) Upon approval by the commissioner and ratification~~  
 7 ~~by the members of the plan submitted, or upon the promulgation of a~~  
 8 ~~plan by the commissioner, each~~ **AN** insurer authorized to write  
 9 insurance providing the security required by section 3101(1) in  
 10 this state, as provided in this section, is bound by and shall  
 11 formally subscribe to and participate in the plan ~~approved-OF~~  
 12 **OPERATION** as a condition of maintaining its authority to transact  
 13 insurance in this state.

14 (19) ~~(21)~~The association is subject to all the reporting,  
 15 loss reserve, and investment requirements of the ~~commissioner~~  
 16 **DIRECTOR OF THE DEPARTMENT** to the same extent as ~~would a member~~ **ARE**  
 17 **THE MEMBERS** of the association.

18 (20) ~~(22)~~Premiums charged members by the association shall  
 19 **MUST** be recognized in the rate-making procedures for insurance  
 20 rates in the same manner that expenses and premium taxes are  
 21 recognized. **HOWEVER, EXCEPT FOR A CHARGE REFLECTING A DEFICIENCY**  
 22 **FROM A PREVIOUS PERIOD UNDER SUBSECTION (7)(D), THE RATES MUST NOT**  
 23 **RESULT IN A CHARGE FOR THE ASSOCIATION FOR A POLICY TO WHICH THE**  
 24 **MAXIMUM LIMIT UNDER SECTION 3109B(1)(A) APPLIES.**

25 (21) ~~(23)~~The ~~commissioner~~ **DIRECTOR OF THE DEPARTMENT** or an  
 26 authorized representative of the ~~commissioner~~ **DIRECTOR OF THE**  
 27 **DEPARTMENT** may visit the association at any time and examine any

1 and all OF the association's affairs.

2 (22) ~~(24)~~—The association does not have liability for losses  
3 occurring before July 1, 1978.

4 (23) **THE ASSOCIATION DOES NOT HAVE ANY LIABILITY FOR A LOSS TO**  
5 **WHICH THE MAXIMUM LIMIT UNDER SECTION 3109B(1) (A) APPLIES.**

6 (24) ~~(25)~~—As used in this section:

7 (A) **"ASSOCIATION" MEANS THE CATASTROPHIC CLAIMS ASSOCIATION**  
8 **CREATED IN SUBSECTION (1).**

9 (B) **"BOARD" MEANS THE BOARD OF DIRECTORS OF THE ASSOCIATION**  
10 **CREATED IN SUBSECTION (9).**

11 (C) ~~(a) "Consumer price index"~~ **"CONSUMER PRICE INDEX"** means  
12 the percentage of change in the ~~consumer price index~~ **CONSUMER PRICE**  
13 **INDEX** for all urban consumers in the United States city average for  
14 all items for the 24 months ~~prior to~~ **BEFORE** October 1 of the year  
15 ~~prior to~~ **BEFORE** the July 1 effective date of the biennial  
16 adjustment under subsection ~~(2) (k)~~ **(2) (N)** as reported by the United  
17 States ~~department of labor, bureau of labor statistics,~~ **DEPARTMENT**  
18 **OF LABOR, BUREAU OF LABOR STATISTICS,** and as certified by the  
19 ~~commissioner.~~ **DIRECTOR OF THE DEPARTMENT.**

20 (D) ~~(b)~~—"Motor vehicle accident policy" means a policy  
21 providing the coverages required under section 3101(1).

22 (E) ~~(e)~~—"Ultimate loss" means the actual loss amounts that a  
23 member is obligated to pay and that are paid or payable by the  
24 member, and do not include claim expenses. An ultimate loss is  
25 incurred by the association on the date that the loss occurs.

26 Sec. 3107. (1) Except as **OTHERWISE** provided in ~~subsection (2),~~  
27 **THIS SECTION,** personal protection insurance benefits are payable

1 for the following:

2 (a) Allowable expenses consisting of all reasonable charges  
3 incurred, **UP TO THE MAXIMUM LIMIT SELECTED UNDER SECTION**  
4 **3109B(1)(A), IF APPLICABLE,** for reasonably necessary products,  
5 services, and accommodations for an injured person's care,  
6 recovery, or rehabilitation. ~~Allowable expenses within personal~~  
7 ~~protection insurance coverage shall not include~~ **PAYMENT TO**  
8 **PROVIDERS FOR THOSE PRODUCTS, SERVICES, AND ACCOMMODATIONS ARE**  
9 **SUBJECT TO THE LIMITS IN SECTION 3107C. HOWEVER, PERSONAL**  
10 **PROTECTION INSURANCE BENEFITS ARE NOT PAYABLE FOR** either of the  
11 following:

12 (i) Charges for a hospital room in excess of a reasonable and  
13 customary charge for semiprivate accommodations ~~except if~~ **UNLESS**  
14 the injured person requires special or intensive care.

15 (ii) Funeral and burial expenses in excess of the amount set  
16 forth in the policy, which ~~shall~~ **MUST** not be less than \$1,750.00 or  
17 more than \$5,000.00.

18 (b) Work loss consisting of loss of income from work an  
19 injured person would have performed during the first 3 years after  
20 the date of the accident if he or she had not been injured. Work  
21 loss does not include any loss after the date on which the injured  
22 person dies. Because the benefits received from personal protection  
23 insurance for loss of income are not taxable income, the benefits  
24 payable for such loss of income ~~shall~~ **MUST** be reduced 15% unless  
25 the claimant presents to the insurer in support of his or her claim  
26 reasonable proof of a lower value of the income tax advantage in  
27 his or her case, in which case the lower value ~~shall apply.~~ **MUST BE**

1 **APPLIED.** For the period beginning October 1, 2012 through September  
 2 30, 2013, the benefits payable for work loss sustained in a single  
 3 30-day period and the income earned by an injured person for work  
 4 during the same period together ~~shall~~ **MUST** not exceed \$5,189.00,  
 5 which maximum ~~shall apply~~ **MUST BE APPLIED** pro rata to any lesser  
 6 period of work loss. Beginning October 1, 2013, the maximum ~~shall~~  
 7 **MUST** be adjusted annually to reflect changes in the cost of living  
 8 under rules prescribed by the ~~commissioner~~ **DIRECTOR** but any change  
 9 in the maximum ~~shall apply~~ **APPLIES** only to benefits arising out of  
 10 ~~accidents occurring subsequent to~~ **AN ACCIDENT THAT OCCURS AFTER** the  
 11 date of change in the maximum.

12 (c) Expenses not exceeding \$20.00 per day, reasonably incurred  
 13 in obtaining ordinary and necessary services in ~~lieu~~ **PLACE** of those  
 14 that, if he or she had not been injured, an injured person would  
 15 have performed during the first 3 years after the date of the  
 16 accident, not for income but for the benefit of himself or herself  
 17 or of his or her dependent.

18 (2) Both of the following apply to personal protection  
 19 insurance benefits payable under subsection (1):

20 (a) A person who is 60 years of age or older and in the event  
 21 of an accidental bodily injury would not be eligible to receive  
 22 work loss benefits under subsection (1)(b) may waive coverage for  
 23 work loss benefits by signing a waiver on a form provided by the  
 24 insurer. An insurer shall offer a reduced premium rate to a person  
 25 who waives coverage under this ~~subsection~~ **SUBDIVISION** for work loss  
 26 benefits. Waiver of coverage for work loss benefits applies only to  
 27 work loss benefits payable to the person or persons who have signed

1 the waiver form.

2 (b) An insurer ~~shall~~ **IS** not ~~be~~ required to provide coverage  
3 for the medical use of marihuana or for expenses related to the  
4 medical use of marihuana.

5 **SEC. 3109B. (1) AFTER THE EFFECTIVE DATE OF THIS SECTION, WHEN**  
6 **AN INDIVIDUAL WHO IS 65 YEARS OF AGE OR OLDER APPLIES FOR OR RENEWS**  
7 **AN INSURANCE POLICY THAT PROVIDES BENEFITS UNDER THIS CHAPTER, THE**  
8 **INDIVIDUAL SHALL SELECT 1 OF THE FOLLOWING LEVELS OF MAXIMUM**  
9 **PERSONAL PROTECTION INSURANCE BENEFITS:**

10 (A) A \$50,000.00 LIMIT.

11 (B) NO MAXIMUM LIMIT.

12 (2) FOR INSURANCE POLICIES DESCRIBED IN SUBSECTION (1), A  
13 PERSON WHO IS 65 YEARS OF AGE OR OLDER SHALL COMPLETE A FORM,  
14 APPROVED BY THE DIRECTOR, TO CERTIFY WHETHER HE OR SHE IS 65 YEARS  
15 OF AGE OR OLDER. THE FORM ALSO MUST DO ALL OF THE FOLLOWING:

16 (A) DISCLOSE IN A CONSPICUOUS MANNER THAT A PERSON WHO IS 65  
17 YEARS OF AGE OR OLDER HAS THE OPTION OF PURCHASING PERSONAL  
18 PROTECTION INSURANCE COVERAGE FOR ALLOWABLE EXPENSES AS DESCRIBED  
19 IN SECTION 3107(1)(A) WITH A REDUCED LIMIT AS PROVIDED IN  
20 SUBSECTION (1).

21 (B) STATE, IN A CONSPICUOUS MANNER, THE BENEFITS AND RISKS  
22 ASSOCIATED WITH EACH COVERAGE OPTION AVAILABLE TO THE PERSON UNDER  
23 THIS SECTION.

24 (C) PROVIDE A LINE FOR THE PERSON TO SIGN, ACKNOWLEDGING THAT  
25 HE OR SHE HAS READ THE FORM AND UNDERSTANDS THE OPTIONS AVAILABLE  
26 TO HIM OR HER.

27 (D) PROVIDE THE PERSON THE OPTION TO ELECT PERSONAL PROTECTION

1 INSURANCE BENEFITS UNDER SUBSECTION (1) (A) OR (B).

2 (3) IF A PERSON WHO IS 65 YEARS OF AGE OR OLDER DOES NOT  
3 COMPLETE A FORM UNDER SUBSECTION (2) OR DOES NOT MAKE AN ELECTION  
4 UNDER SUBSECTION (2) (D), THE PERSON IS CONSIDERED TO HAVE ELECTED  
5 BENEFITS UNDER SUBSECTION (1) (A), AND THE MAXIMUM LIMIT UNDER  
6 SUBSECTION (1) (A) APPLIES TO THE POLICY FOR ALL PURPOSES AS  
7 PROVIDED IN THIS CHAPTER.

8 (4) A MAXIMUM LIMIT SELECTED UNDER SUBSECTION (1) (A) APPLIES  
9 TO ALLOWABLE EXPENSES AS DESCRIBED UNDER SECTION 3107(1) (A). A  
10 MAXIMUM LIMIT SELECTED UNDER SUBSECTION (1) (A) APPLIES ONLY TO  
11 BENEFITS PAYABLE BECAUSE OF AN ACCIDENTAL BODILY INJURY TO THE  
12 INSURED NAMED IN THE POLICY AND THE INSURED'S SPOUSE. IF THE  
13 MAXIMUM LIMIT UNDER SUBSECTION (1) (A) APPLIES, AN INJURED PERSON  
14 OTHER THAN THE INSURED AND THE INSURED'S SPOUSE IS ENTITLED TO  
15 CLAIM BENEFITS UNDER ANOTHER POLICY AS PROVIDED IN THIS CHAPTER OR,  
16 IF NO SUCH POLICY IS AVAILABLE, UNDER THE ASSIGNED CLAIMS PLAN  
17 MAINTAINED UNDER SECTION 3171.

18 Sec. 3114. (1) Except as provided in subsections (2), (3), and  
19 (5), AND (6), a personal protection insurance policy described in  
20 section 3101(1) applies to accidental bodily injury to the person  
21 named in the policy, the person's spouse, and a relative of either  
22 domiciled in the same household, if the injury arises from a motor  
23 vehicle accident. A personal injury insurance policy described in  
24 section 3103(2) applies to accidental bodily injury to the person  
25 named in the policy, the person's spouse, and a relative of either  
26 domiciled in the same household, if the injury arises from a  
27 motorcycle accident. If personal protection insurance benefits or



1 personal injury benefits described in section 3103(2) are payable  
2 to or for the benefit of an injured person under his or her own  
3 policy and would also be payable under the policy of his or her  
4 spouse, relative, or relative's spouse, the injured person's  
5 insurer shall pay all of the benefits and is not entitled to  
6 recoupment from the other insurer.

7 (2) A person suffering accidental bodily injury while an  
8 operator or a passenger of a motor vehicle operated in the business  
9 of transporting passengers shall receive the personal protection  
10 insurance benefits to which the person is entitled from the insurer  
11 of the motor vehicle. This subsection does not apply to a passenger  
12 in any of the following, unless the passenger is not entitled to  
13 personal protection insurance benefits under any other policy:

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

16 (b) A bus operated by a common carrier of passengers certified  
17 by the department of transportation.

18 (c) A bus operating under a government sponsored  
19 transportation program.

20 (d) A bus operated by or providing service to a nonprofit  
21 organization.

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

23 (f) A bus operated by a canoe or other watercraft, bicycle, or  
24 horse livery used only to transport passengers to or from a  
25 destination point.

26 (g) A transportation network company vehicle.

27 (3) An employee, his or her spouse, or a relative of either

1 domiciled in the same household, who suffers accidental bodily  
 2 injury while an occupant of a motor vehicle owned or registered by  
 3 the employer, shall receive personal protection insurance benefits  
 4 to which the employee is entitled from the insurer of the furnished  
 5 vehicle.

6 (4) Except as provided in subsections ~~(1) to~~ **(2) AND** (3), a  
 7 person ~~suffering~~ **WHO SUFFERS** accidental bodily injury arising from  
 8 a motor vehicle accident while an occupant of a motor vehicle **WHO**  
 9 **IS NOT COVERED UNDER A PERSONAL PROTECTION INSURANCE POLICY AS**  
 10 **PROVIDED IN SUBSECTION (1)** shall claim personal protection  
 11 insurance benefits ~~from insurers in the following order of~~  
 12 ~~priority:~~

13 ~~—— (a) The insurer of the owner or registrant of the vehicle~~  
 14 ~~occupied.~~

15 ~~—— (b) The insurer of the operator of the vehicle occupied.~~ **UNDER**  
 16 **THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO 3175.**

17 (5) ~~A~~ **EXCEPT AS PROVIDED IN SUBSECTION (6), A** person ~~suffering~~  
 18 **WHO SUFFERS** accidental bodily injury arising from a motor vehicle  
 19 accident that shows evidence of the involvement of a motor vehicle  
 20 while an operator or passenger of a motorcycle shall claim personal  
 21 protection insurance benefits from insurers in the following order  
 22 of priority:

23 (a) The insurer of the owner or registrant of the motor  
 24 vehicle involved in the accident.

25 (b) The insurer of the operator of the motor vehicle involved  
 26 in the accident.

27 (c) The motor vehicle insurer of the operator of the

1 motorcycle involved in the accident.

2 (d) The motor vehicle insurer of the owner or registrant of  
3 the motorcycle involved in the accident.

4 (6) FOR A PERSONAL PROTECTION INSURANCE POLICY AS TO WHICH THE  
5 INSURED HAS ELECTED THE MAXIMUM BENEFIT LEVEL UNDER SECTION  
6 3109B(1) (A), ALL OF THE FOLLOWING APPLY:

7 (A) AN INJURED PERSON WHO IS A RELATIVE OF EITHER THE PERSON  
8 NAMED IN THE POLICY OR THE PERSON'S SPOUSE, WHO IS DOMICILED IN THE  
9 SAME HOUSEHOLD AS THE PERSON NAMED IN THE POLICY OR THE PERSON'S  
10 SPOUSE, AND WHO WOULD, BUT FOR THE ELECTION OF REDUCED BENEFITS, BE  
11 ENTITLED TO CLAIM BENEFITS UNDER THE POLICY UNDER SUBSECTION (1),  
12 IS NOT ENTITLED TO CLAIM BENEFITS UNDER THE POLICY, BUT IS ENTITLED  
13 TO CLAIM BENEFITS UNDER THE ASSIGNED CLAIMS PLAN MAINTAINED UNDER  
14 SECTION 3171.

15 (B) A PERSON WHO, WHILE AN OPERATOR OR PASSENGER OF A  
16 MOTORCYCLE, SUFFERS ACCIDENTAL BODILY INJURY ARISING FROM A MOTOR  
17 VEHICLE ACCIDENT THAT SHOWS EVIDENCE OF THE INVOLVEMENT OF A MOTOR  
18 VEHICLE INSURED UNDER THE POLICY IS ENTITLED TO CLAIM BENEFITS AS  
19 PROVIDED UNDER SUBSECTION (5) (C) OR (D), IF APPLICABLE, OR UNDER  
20 THE ASSIGNED CLAIMS PLAN MAINTAINED UNDER SECTION 3171.

21 (7) ~~(6)~~—If 2 or more insurers are in the same order of  
22 priority to provide personal protection insurance benefits under  
23 subsection (5), an insurer ~~paying~~ **THAT PAYS** benefits due is  
24 entitled to partial recoupment from the other insurers in the same  
25 order of priority, and a reasonable amount of partial recoupment of  
26 the expense of processing the claim, in order to accomplish  
27 equitable distribution of the loss among all of the insurers.

1 (8) ~~(7)~~ As used in this section:

2 (a) "Personal vehicle", "~~prearranged ride~~", and  
 3 "transportation network company digital network", **AND**  
 4 "**TRANSPORTATION COMPANY PREARRANGED RIDE**" mean those terms as  
 5 defined in section 2 of the limousine, taxicab, and transportation  
 6 network company act, **2016 PA 345, MCL 257.2102.**

7 (b) "Transportation network company vehicle" means a personal  
 8 vehicle while the driver is logged on to the transportation network  
 9 company digital network or while the driver is engaged in a  
 10 **TRANSPORTATION NETWORK COMPANY** prearranged ride.

11 Sec. 3115. (1) Except as provided in ~~subsection (1) of section~~  
 12 ~~3114, 3114 (1)~~, a person ~~suffering~~ **WHO SUFFERS** accidental bodily  
 13 injury while not an occupant of a motor vehicle shall claim  
 14 personal protection insurance benefits ~~from insurers in the~~  
 15 ~~following order of priority:~~

16 ~~— (a) Insurers of owners or registrants of motor vehicles~~  
 17 ~~involved in the accident.~~

18 ~~— (b) Insurers of operators of motor vehicles involved in the~~  
 19 ~~accident.~~ **UNDER THE ASSIGNED CLAIMS PLAN UNDER SECTIONS 3171 TO**  
 20 **3175.**

21 (2) ~~When~~ **IF** 2 or more insurers are in the same order of  
 22 priority to provide personal protection insurance benefits, an  
 23 insurer ~~paying~~ **THAT PAYS** benefits due is entitled to partial  
 24 recoupment from the other insurers in the same order of priority,  
 25 ~~together with~~ **AND** a reasonable amount of partial recoupment of the  
 26 expense of processing the claim, in order to accomplish equitable  
 27 distribution of the loss among ~~such~~ **THE** insurers.

1           (3) A limit ~~upon~~**ON** the amount of personal protection  
2 insurance benefits available because of accidental bodily injury to  
3 1 person arising from 1 motor vehicle accident ~~shall~~**MUST** be  
4 determined without regard to the number of policies applicable to  
5 the accident.

6           Enacting section 1. This amendatory act takes effect 90 days  
7 after the date it is enacted into law.

8           Enacting section 2. This amendatory act does not take effect  
9 unless Senate Bill No. 1014 of the 99th Legislature is enacted into  
10 law.