



**House
Legislative
Analysis
Section**

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ALLOW SENIORS TO WAIVE WORK LOSS

House Bill 5696

Sponsor: Rep. John Bennett

Committee: Insurance

10 1990

Complete to 5-29-90

A SUMMARY OF HOUSE BILL 5696 AS INTRODUCED 5-1-90

The bill would amend Chapter 31 of the Insurance Code, which deals with no-fault automobile insurance, to allow people 60 years of age and older to waive coverage for work loss benefits if they would not be eligible to receive them in the event of an accidental bodily injury (in an auto accident). Insurance companies would have to offer a reduced premium rate for people who waive coverage for work loss benefits. The waiver of coverage would only apply to benefits payable to the person named in the policy, the spouse of the insured, and any relative of either domiciled in the same household.

Currently, work loss benefits cover 1) the loss of income from work that would have been performed during the three years immediately following the injury and 2) expenses up to \$20 per day incurred in obtaining ordinary and necessary services in lieu of those the injured person would have performed for himself or herself, or for a dependent, during the three years following injury. The bill would separate the two elements of work loss coverage, leaving only the first within work loss and making the second a separate kind of benefit. The waiver of work loss benefits permitted under the bill would apply to loss of income from work.

The bill would take effect October 1, 1990.

MCL 500.3107 and 3107a

House Bill 5696 (5-29-90)