

HOUSE BILL No. 4913

June 8, 1989, Introduced by Reps. Saunders, Clack, Joe Young, Sr., Watkins, Martin, Nye, Kosteva, Gire, Kilpatrick, Wallace, Gubow, Owen, Murphy, Emerson, DeMars, Varga, Terrell, Webb, Scott, Keith, Stallworth, Berman, Hunter, Hart, Pitoniak, Ostling, Perry Bullard, Leland, Joe Young, Jr., Porreca, Spaniola, Jondahl, Hollister, Bennane, Barns, Bankes and Runco and referred to the Committee on Insurance.

A bill to amend section 3107 of Act No. 218 of the Public Acts of 1956, entitled as amended

"The insurance code of 1956,"

as amended by Act No. 312 of the Public Acts of 1988, being section 500.3107 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 3107 of Act No. 218 of the Public Acts
2 of 1956, as amended by Act No. 312 of the Public Acts of 1988,
3 being section 500.3107 of the Michigan Compiled Laws, is amended
4 to read as follows:

5 Sec. 3107. (1) Personal protection insurance benefits are
6 payable for the following:

7 (a) Allowable expenses consisting of all reasonable charges
8 incurred for reasonably necessary products, services and
9 accommodations for an injured person's care, recovery, or

1 rehabilitation. Allowable expenses within personal protection
2 insurance coverage shall not include charges for a hospital room
3 in excess of a reasonable and customary charge for semiprivate
4 accommodations except ~~when~~ IF the injured person requires spe-
5 cial or intensive care, or ~~before October 1, 1988 charges~~ for
6 funeral and burial expenses in ~~excess of \$1,000.00. Beginning~~
7 ~~October 1, 1988, benefits for funeral and burial expenses shall~~
8 ~~be payable in~~ the amount set forth in the policy ~~but~~ WHICH
9 shall not be less than \$1,750.00 ~~nor~~ OR more than \$5,000.00.

10 (b) ~~Work~~ EXCEPT AS OTHERWISE PROVIDED IN SUBSECTION (2),
11 WORK loss consisting of loss of income from work an injured
12 person would have performed during the first 3 years after the
13 date of the accident if he or she had not been injured and
14 expenses not exceeding \$20.00 per day, reasonably incurred in
15 obtaining ordinary and necessary services in lieu of those that,
16 if he or she had not been injured, an injured person would have
17 performed during the first 3 years after the date of the acci-
18 dent, not for income but for the benefit of himself or herself or
19 of his or her dependent. Work loss does not include any loss
20 after the date on which the injured person dies. Because the
21 benefits received from personal protection insurance for loss of
22 income are not taxable income, the benefits payable for such loss
23 of income shall be reduced 15% unless the claimant presents to
24 the insurer in support of his or her claim reasonable proof of a
25 lower value of the income tax advantage in his or her case, in
26 which case the lower value shall apply. Beginning March 30,
27 1973, the benefits payable for work loss sustained in a single

1 30-day period and the income earned by an injured person for work
2 during the same period together shall not exceed \$1,000.00, which
3 maximum shall apply pro rata to any lesser period of work loss.
4 Beginning October 1, 1974, the maximum shall be adjusted annually
5 to reflect changes in the cost of living under rules prescribed
6 by the commissioner but any change in the maximum shall apply
7 only to benefits arising out of accidents occurring subsequent to
8 the date of change in the maximum.

9 (2) A PERSON WHO IS 60 YEARS OF AGE OR OLDER AND, IN THE
10 EVENT OF AN ACCIDENTAL BODILY INJURY, WOULD NOT BE ELIGIBLE TO
11 RECEIVE WORK LOSS BENEFITS UNDER SUBSECTION (1)(B) MAY WAIVE COV-
12 ERAGE FOR WORK LOSS BENEFITS FOR HIMSELF OR HERSELF ONLY UNDER
13 SUBSECTION (1)(B). AN INSURER SHALL OFFER A REDUCED PREMIUM RATE
14 TO A PERSON WHO IS 60 YEARS OF AGE OR OLDER WHO WAIVES COVERAGE
15 UNDER THIS SUBSECTION FOR WORK LOSS BENEFITS UNDER SUBSECTION
16 (1)(B).

17 Section 2. This amendatory act shall take effect January 1,
18 1990.

19 Section 3. This amendatory act shall not take effect unless
20 Senate Bill No. _____ or House Bill No. 4912 (request
21 no. 03128'89*) of the 85th Legislature is enacted into law.