

# HOUSE BILL NO. 5649

December 15, 2021, Introduced by Reps. Martin and Frederick and referred to the Committee on Insurance.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 3101 and 3113 (MCL 500.3101 and 500.3113), as amended by 2019 PA 21.

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

1           Sec. 3101. (1) Except as provided in **this section or** sections  
2 3107d and 3109a, the owner or registrant of a motor vehicle  
3 required to be registered in this state shall maintain security for  
4 payment of benefits under personal protection insurance and  
5 property protection insurance as required under this chapter, and

1 residual liability insurance. Security is only required to be in  
2 effect during the period the motor vehicle is driven or moved on a  
3 highway.

4 (2) Except as provided in **this section or** section 3107d, all  
5 automobile insurance policies offered in this state must include  
6 benefits under personal protection insurance, and property  
7 protection insurance as provided in this chapter, and residual  
8 liability insurance. Notwithstanding any other provision in this  
9 act, an insurer that has issued an automobile insurance policy may  
10 only delete portions of the coverages under the policy and maintain  
11 the comprehensive coverage portion on a motor vehicle that is not  
12 driven or moved on a highway in accordance with section 3009(4).

13 (3) As used in this chapter:

14 (a) "Automobile insurance" means that term as defined in  
15 section 2102.

16 (b) "Commercial quadricycle" means a vehicle to which all of  
17 the following apply:

18 (i) The vehicle has fully operative pedals for propulsion  
19 entirely by human power.

20 (ii) The vehicle has at least 4 wheels and is operated in a  
21 manner similar to a bicycle.

22 (iii) The vehicle has at least 6 seats for passengers.

23 (iv) The vehicle is designed to be occupied by a driver and  
24 powered either by passengers providing pedal power to the drive  
25 train of the vehicle or by a motor capable of propelling the  
26 vehicle in the absence of human power.

27 (v) The vehicle is used for commercial purposes.

28 (vi) The vehicle is operated by the owner of the vehicle or an  
29 employee of the owner of the vehicle.

1 (c) "Electric bicycle" means that term as defined in section  
2 13e of the Michigan vehicle code, 1949 PA 300, MCL 257.13e.

3 (d) "Golf cart" means a vehicle designed for transportation  
4 while playing the game of golf.

5 (e) "Highway" means highway or street as that term is defined  
6 in section 20 of the Michigan vehicle code, 1949 PA 300, MCL  
7 257.20.

8 (f) "Moped" means that term as defined in section 32b of the  
9 Michigan vehicle code, 1949 PA 300, MCL 257.32b.

10 (g) "Motorcycle" means a vehicle that has a saddle or seat for  
11 the use of the rider, is designed to travel on not more than 3  
12 wheels in contact with the ground, and is equipped with a motor  
13 that exceeds 50 cubic centimeters piston displacement. For purposes  
14 of this subdivision, the wheels on any attachment to the vehicle  
15 are not considered as wheels in contact with the ground. Motorcycle  
16 does not include a moped or an ORV.

17 (h) "Motorcycle accident" means a loss that involves the  
18 ownership, operation, maintenance, or use of a motorcycle as a  
19 motorcycle, but does not involve the ownership, operation,  
20 maintenance, or use of a motor vehicle as a motor vehicle.

21 (i) "Motor vehicle" means a vehicle, including a trailer, that  
22 is operated or designed for operation on a public highway by power  
23 other than muscular power and has more than 2 wheels. Motor vehicle  
24 does not include any of the following:

25 (i) A motorcycle.

26 (ii) A moped.

27 (iii) A farm tractor or other implement of husbandry that is not  
28 subject to the registration requirements of the Michigan vehicle  
29 code under section 216 of the Michigan vehicle code, 1949 PA 300,

1 MCL 257.216.

2 (iv) An ORV.

3 (v) A golf cart.

4 (vi) A power-driven mobility device.

5 (vii) A commercial quadricycle.

6 (viii) An electric bicycle.

7 (j) "Motor vehicle accident" means a loss that involves the  
8 ownership, operation, maintenance, or use of a motor vehicle as a  
9 motor vehicle regardless of whether the accident also involves the  
10 ownership, operation, maintenance, or use of a motorcycle as a  
11 motorcycle.

12 (k) "ORV" means a motor-driven recreation vehicle designed for  
13 off-road use and capable of cross-country travel without benefit of  
14 road or trail, on or immediately over land, snow, ice, marsh,  
15 swampland, or other natural terrain. ORV includes, but is not  
16 limited to, a multitrack or multiwheel drive vehicle, a motorcycle  
17 or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious  
18 machine, a ground effect air cushion vehicle, an ATV as defined in  
19 section 81101 of the natural resources and environmental protection  
20 act, 1994 PA 451, MCL 324.81101, or other means of transportation  
21 deriving motive power from a source other than muscle or wind. ORV  
22 does not include a vehicle described in this subdivision that is  
23 registered for use on a public highway and has the security  
24 required under subsection (1) or section 3103 in effect.

25 (l) "Owner" means any of the following:

26 (i) A person renting a motor vehicle or having the use of a  
27 motor vehicle, under a lease or otherwise, for a period that is  
28 greater than 30 days.

29 (ii) A person renting a motorcycle or having the use of a

1 motorcycle under a lease for a period that is greater than 30 days,  
2 or otherwise for a period that is greater than 30 consecutive days.  
3 A person who borrows a motorcycle for a period that is less than 30  
4 consecutive days with the consent of the owner is not an owner  
5 under this subparagraph.

6 (iii) A person that holds the legal title to a motor vehicle or  
7 motorcycle, other than a person engaged in the business of leasing  
8 motor vehicles or motorcycles that is the lessor of a motor vehicle  
9 or motorcycle under a lease that provides for the use of the motor  
10 vehicle or motorcycle by the lessee for a period that is greater  
11 than 30 days.

12 (iv) A person that has the immediate right of possession of a  
13 motor vehicle or motorcycle under an installment sale contract.

14 (m) "Power-driven mobility device" means a wheelchair or other  
15 mobility device powered by a battery, fuel, or other engine and  
16 designed to be used by an individual with a mobility disability for  
17 the purpose of locomotion.

18 (n) "Registrant" does not include a person engaged in the  
19 business of leasing motor vehicles or motorcycles that is the  
20 lessor of a motor vehicle or motorcycle under a lease that provides  
21 for the use of the motor vehicle or motorcycle by the lessee for a  
22 period that is longer than 30 days.

23 (4) Security required by subsection (1) may be provided under  
24 a policy issued by an authorized insurer that affords insurance for  
25 the payment of benefits described in subsection (1). A policy of  
26 insurance represented or sold as providing security is considered  
27 to provide insurance for the payment of the benefits.

28 (5) Security required by subsection (1) may be provided by any  
29 other method approved by the secretary of state as affording

1 security equivalent to that afforded by a policy of insurance, if  
2 proof of the security is filed and continuously maintained with the  
3 secretary of state throughout the period the motor vehicle is  
4 driven or moved on a highway. The person filing the security has  
5 all the obligations and rights of an insurer under this chapter.  
6 When the context permits, "insurer" as used in this chapter,  
7 includes a person that files the security as provided in this  
8 section.

9 (6) An insurer that issues a policy that provides the security  
10 required under ~~subsection (1)~~ **this section** may exclude coverage  
11 under the policy as provided in section 3017.

12 **(7) This section does not apply to an owner or registrant who**  
13 **meets the qualifications of and provides to the secretary of state**  
14 **the information or documents required by section 227c of the**  
15 **Michigan vehicle code, 1949 PA 300, MCL 257.227c.**

16 Sec. 3113. A person is not entitled to be paid personal  
17 protection insurance benefits for accidental bodily injury if at  
18 the time of the accident any of the following circumstances  
19 existed:

20 (a) The person was willingly operating or willingly using a  
21 motor vehicle or motorcycle that was taken unlawfully, and the  
22 person knew or should have known that the motor vehicle or  
23 motorcycle was taken unlawfully.

24 (b) The person was the owner or registrant of a motor vehicle  
25 or motorcycle involved in the accident with respect to which the  
26 security required by section 3101 or 3103 was not in effect.

27 (c) The person was not a resident of this state, unless the  
28 person owned a motor vehicle that was registered and insured in  
29 this state.

1 (d) The person was operating a motor vehicle or motorcycle as  
2 to which he or she was named as an excluded operator as allowed  
3 under section 3009(2).

4 (e) The person was the owner or operator of a motor vehicle  
5 for which coverage was excluded under a policy exclusion authorized  
6 under section 3017.

7 **(f) The person was the owner or registrant of a motor vehicle**  
8 **involved in the accident for which security under section 3101 was**  
9 **not in effect under section 3101(7).**

10 Enacting section 1. This amendatory act does not take effect  
11 unless Senate Bill No. \_\_\_\_\_ or House Bill No. 5648 (request no.  
12 04073'21) of the 101st Legislature is enacted into law.