

# HOUSE BILL NO. 5950

September 26, 2024, Introduced by Reps. Brenda Carter, Bierlein, Rogers and Tyrone Carter and referred to the Committee on Insurance and Financial Services.

A bill to amend 1956 PA 218, entitled "The insurance code of 1956," by amending sections 1202, 3009, 3037, 3101, and 3113 (MCL 500.1202, 500.3009, 500.3037, 500.3101, and 500.3113), section 1202 as amended by 2020 PA 266, section 3009 as amended by 2019 PA 22, section 3037 as amended by 2016 PA 346, and sections 3101 and 3113 as amended by 2019 PA 21, and by adding sections 130 and 3018.

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

1           **Sec. 130. (1) A peer-to-peer car sharing program has an**  
2           **insurable interest in a shared vehicle during the car sharing**

1 period.

2 (2) A peer-to-peer car sharing program may own and maintain as  
3 the named insured 1 or more policies of automobile insurance that  
4 provide coverage for any of the following:

5 (a) Liabilities assumed by the peer-to-peer car sharing  
6 program under a car sharing program agreement.

7 (b) Any liability of the shared vehicle owner.

8 (c) Damage or loss to the shared vehicle.

9 (d) Any liability of the shared vehicle driver.

10 (3) A peer-to-peer car sharing program shall not do any of the  
11 following:

12 (a) Unless authorized, offer or sell insurance, except travel  
13 or auto-related insurance offered or sold in connection with and  
14 incidental to the sharing of a motor vehicle under a car sharing  
15 program agreement.

16 (b) Make a car sharing program agreement contingent on the  
17 shared vehicle driver purchasing residual third-party liability  
18 insurance through the peer-to-peer car sharing program.

19 (4) As used in this section, "car sharing period", "car  
20 sharing program agreement", "peer-to-peer car sharing program",  
21 "shared vehicle", "shared vehicle driver", and "shared vehicle  
22 owner" mean those terms as defined in section 3 of the peer-to-peer  
23 car sharing program act.

24 Sec. 1202. (1) This chapter does not require an insurer to  
25 obtain an insurance producer license. As used in this section, the  
26 term "insurer" does not include an insurer's officers, directors,  
27 employees, subsidiaries, or affiliates.

28 (2) A license as an insurance producer is not required of any  
29 of the following:

1           (a) An officer, director, or employee of an insurer or of an  
2 insurance producer, if the officer, director, or employee does not  
3 receive any commission on policies written or sold to insure risks  
4 residing, located, or to be performed in this state and meets 1 or  
5 more of the following:

6           (i) The officer's, director's, or employee's activities are  
7 executive, administrative, managerial, clerical, or a combination  
8 of these, and are only indirectly related to the sale,  
9 solicitation, or negotiation of insurance.

10          (ii) The officer's, director's, or employee's function relates  
11 to underwriting, loss control, inspection, or the processing,  
12 adjusting, investigating, or settling of a claim on a contract of  
13 insurance.

14          (iii) The officer, director, or employee is acting in the  
15 capacity of a special agent or agency supervisor assisting  
16 insurance producers if the person's activities are limited to  
17 providing technical advice and assistance to licensed insurance  
18 producers and do not include the sale, solicitation, or negotiation  
19 of insurance.

20          (b) A person who performs and receives no commission for any  
21 of the following services:

22          (i) Securing and furnishing information for the purpose of  
23 group life insurance, group property and casualty insurance, group  
24 annuities, or group or blanket accident and health insurance.

25          (ii) Securing and furnishing information for the purpose of  
26 enrolling individuals under plans, issuing certificates under  
27 plans, or otherwise assisting in administering plans.

28          (iii) Performing administrative services related to mass  
29 marketed property and casualty insurance.

1 (c) An employer or association or its officers, directors,  
2 employees, or the trustees of an employee trust plan, to the extent  
3 that the employers, officers, employees, directors, or trustees are  
4 engaged in the administration or operation of a program of employee  
5 benefits for the employer's or association's own employees or the  
6 employees of its subsidiaries or affiliates, which program involves  
7 the use of insurance issued by an insurer, if the employers,  
8 associations, officers, directors, employees, or trustees are not  
9 in any manner compensated, directly or indirectly, by the company  
10 issuing the contracts.

11 (d) Employees of insurers or organizations employed by  
12 insurers who are engaging in the inspection, rating, or  
13 classification of risks, or in the supervision of the training of  
14 insurance producers and who are not individually engaged in the  
15 sale, solicitation, or negotiation of insurance.

16 (e) A person whose activities in this state are limited to  
17 advertising without the intent to solicit insurance in this state  
18 through communications in printed publications or other forms of  
19 electronic mass media, the distribution of which is not limited to  
20 residents of this state, if the person does not sell, solicit, or  
21 negotiate insurance that would insure risks residing, located, or  
22 to be performed in this state.

23 (f) A person who is not a resident of this state who sells,  
24 solicits, or negotiates a contract of insurance for commercial  
25 property and casualty risks to an insured with risks located in  
26 more than 1 state insured under that contract, if the person is  
27 otherwise licensed as an insurance producer to sell, solicit, or  
28 negotiate that insurance in the state where the insured maintains  
29 its principal place of business and the contract of insurance

1 insures risks located in that state.

2 (g) A salaried full-time employee who counsels or advises his  
3 or her employer concerning the insurance interests of the employer  
4 or of the subsidiaries or business affiliates of the employer, if  
5 the employee does not sell or solicit insurance or receive a  
6 commission.

7 (h) A person whose only sale of insurance is for travel or  
8 auto-related insurance sold in connection with and incidental to  
9 ~~the~~ **any of the following:**

10 (i) **The** rental of a motor vehicle under a rental agreement for  
11 a period not to exceed 90 days.

12 (ii) **The sharing of a motor vehicle under a car sharing program**  
13 **agreement, as that term is defined in section 3 of the peer-to-peer**  
14 **car sharing program act.**

15 (i) A person whose only sale of insurance is for portable  
16 electronics insurance sold in connection with and incidental to the  
17 sale of a portable electronic device if written disclosure material  
18 is provided to the customer at the time of solicitation and the  
19 written material includes all of the following:

20 (i) A disclosure that portable electronics insurance may  
21 duplicate coverage already provided by the customer's homeowners,  
22 renters, or other insurance policies.

23 (ii) A statement that the enrollment by the customer in a  
24 portable electronics insurance program is not required to purchase  
25 or lease a portable electronic device or services for the device.

26 (iii) A summary of the material terms of the portable  
27 electronics insurance coverage, including all of the following:

28 (A) The identity of the insurer.

29 (B) The amount of any applicable deductible and how it is to

1 be paid.

2 (C) The benefits of the coverage.

3 (D) Key terms and conditions of the coverage, such as whether  
4 the portable electronics may be repaired or replaced with a similar  
5 make and model or reconditioned or nonoriginal manufacturer parts  
6 or equipment.

7 (iv) A summary of the process for filing a claim, including a  
8 description of how to return a portable electronic device and the  
9 maximum fee applicable if the customer fails to comply with  
10 equipment return requirements.

11 (v) A statement that the customer may cancel enrollment for  
12 coverage under a portable electronics insurance policy at any time  
13 and that the person paying the premium will receive a refund of or  
14 credit for any unearned premium.

15 (j) A person whose only sale of insurance is for travel  
16 insurance sold in conjunction with and incidental to planned  
17 travel.

18 (k) A person whose only sale of insurance is stored property  
19 insurance sold in connection with and incidental to the rental of  
20 storage space in a self-service storage facility under a rental  
21 agreement for a period not to exceed 1 year if written disclosure  
22 material is provided to the customer at the time of solicitation  
23 and the written material includes all of the following:

24 (i) A disclosure that the stored property insurance may  
25 duplicate coverage already provided by the customer's homeowners,  
26 renters, or other insurance policies.

27 (ii) A summary of the material terms of the stored property  
28 insurance coverage, including all of the following:

29 (A) The identity of the insurer.

1 (B) The benefits of the coverage.

2 (C) The key terms and conditions of the coverage.

3 (iii) A summary of the process for filing a claim.

4 (3) As used in this section:

5 (a) "Motor vehicle" means a motorized vehicle designed for  
6 transporting passengers or goods.

7 (b) "Self-service storage facility" means that term as defined  
8 in section 2 of the self-service storage facility act, 1985 PA 148,  
9 MCL 570.522.

10 (c) "Stored property insurance" means insurance that provides  
11 coverage for the loss of, or damage to, tangible personal property  
12 with an insured value not exceeding \$10,000.00 contained in a  
13 storage space located on a self-service storage facility or in  
14 transit during the term of a self-service storage facility rental  
15 agreement and that is provided under a group or master policy  
16 issued to a self-service storage facility for the provision of  
17 insurance to its customers.

18 (d) "Travel insurance" means, subject to subdivision (e), a  
19 limited lines insurance coverage under section 1201(k) for personal  
20 risk incident to planned travel, including 1 or more of the  
21 following:

22 (i) Interruption or cancellation of a trip or event.

23 (ii) Loss of baggage or personal effects.

24 (iii) Damages to accommodations or rental vehicles.

25 (iv) Sickness, accident, disability, or death occurring during  
26 travel.

27 (v) Emergency evacuation.

28 (vi) Repatriation of remains.

29 (vii) Any other contractual obligations to indemnify or pay a

1 specified amount to the traveler on determinable contingencies  
2 related to travel as approved by the director.

3 (e) "Travel insurance" does not include either of the  
4 following:

5 (i) Major medical plans, which provide comprehensive medical  
6 protection for travelers with trips lasting longer than 6 months,  
7 including, for example, those working or residing overseas as an  
8 expatriate, or military personnel being deployed.

9 (ii) A product that requires a specific insurance producer's  
10 license.

11 (iii) A prearranged funeral agreement by a funeral service  
12 provider.

13 Sec. 3009. (1) Subject to subsections (5) to (8), an  
14 automobile liability or motor vehicle liability policy that insures  
15 against loss resulting from liability imposed by law for property  
16 damage, bodily injury, or death suffered by any person arising out  
17 of the ownership, maintenance, or use of a motor vehicle must not  
18 be delivered or issued for delivery in this state with respect to  
19 any motor vehicle registered or principally garaged in this state  
20 unless the liability coverage is subject to all of the following  
21 limits:

22 (a) Before July 2, 2020, a limit, exclusive of interest and  
23 costs, of not less than \$20,000.00 because of bodily injury to or  
24 death of 1 person in any 1 accident, and after July 1, 2020, a  
25 limit, exclusive of interest and costs, of not less than  
26 \$250,000.00 because of bodily injury to or death of 1 person in any  
27 1 accident.

28 (b) Before July 2, 2020 and subject to the limit for 1 person  
29 in subdivision (a), a limit of not less than \$40,000.00 because of



1 bodily injury to or death of 2 or more persons in any 1 accident,  
2 and after July 1, 2020, and subject to the limit for 1 person in  
3 subdivision (a), a limit of not less than \$500,000.00 because of  
4 bodily injury to or death of 2 or more persons in any 1 accident.

5 (c) A limit of not less than \$10,000.00 because of injury to  
6 or destruction of property of others in any accident.

7 (2) If authorized by the insured, automobile liability or  
8 motor vehicle liability coverage may be excluded when a vehicle is  
9 operated by a named person. An exclusion under this subsection is  
10 not valid unless the following notice is on the face of the policy  
11 or the declaration page or certificate of the policy and on the  
12 certificate of insurance:

13 Warning—when a named excluded person operates a vehicle all  
14 liability coverage is void—no one is insured. Owners of the vehicle  
15 and others legally responsible for the acts of the named excluded  
16 person remain fully personally liable.

17 (3) A liability policy described in subsection (1) may exclude  
18 coverage for liability as provided in section 3017 **or 3018**.

19 (4) If an insurer deletes coverages from an automobile  
20 insurance policy under section 3101, the insurer shall send  
21 documentary evidence of the deletion to the insured.

22 (5) After July 1, 2020, an applicant for or named insured in  
23 the automobile liability or motor vehicle liability policy  
24 described in subsection (1) may choose to purchase lower limits  
25 than required under subsection (1)(a) and (b), but not lower than  
26 \$50,000.00 under subsection (1)(a) and \$100,000.00 under subsection  
27 (1)(b). To exercise an option under this subsection, the person  
28 shall complete a form issued by the director and provided as  
29 required by section 3107e, that meets the requirements of

1 subsection (7).

2 (6) After July 1, 2020, on application for the issuance of a  
3 new policy or renewal of an existing policy, an insurer shall do  
4 all of the following:

5 (a) Provide the applicant or named insured the liability  
6 options available under this section.

7 (b) Provide the applicant or named insured a price for each  
8 option available under this section.

9 (c) Offer the applicant or named insured the option and form  
10 under this subsection.

11 (7) The form required under subsection (5) must do all of the  
12 following:

13 (a) State, in a conspicuous manner, the risks of choosing  
14 liability limits lower than those required by subsection (1)(a) and  
15 (b).

16 (b) Provide a way for the person to mark the form to  
17 acknowledge that he or she has received a list of the liability  
18 options available under this section and the price for each option.

19 (c) Provide a way for the person to mark the form to  
20 acknowledge that he or she has read the form and understands the  
21 risks of choosing the lower liability limits.

22 (d) Allow the person to sign the form.

23 (8) After July 1, 2020, if an insurance policy is issued or  
24 renewed as described in subsection (1) and the person named in the  
25 policy has not made an effective choice under subsection (5), the  
26 limits under subsection (1)(a) and (b) apply to the policy.

27 **Sec. 3018. (1) An authorized insurer that issues automobile**  
28 **insurance policies in this state and issues an insurance policy to**  
29 **a shared vehicle owner insuring a shared vehicle may exclude all**

1 coverage afforded under the policy for any loss or injury that  
2 occurs during a car sharing period, including, but not limited to,  
3 all of the following:

4 (a) Residual third-party liability insurance required under  
5 sections 3009 and 3101.

6 (b) Personal protection insurance and property protection  
7 insurance required under section 3101.

8 (c) Uninsured and underinsured motorist coverage.

9 (d) Comprehensive coverage.

10 (e) Collision coverage, including coverage required to be  
11 offered under section 3037.

12 (2) This section does not require a shared vehicle owner's  
13 automobile insurance policy to provide coverage while the shared  
14 vehicle is operated during a car sharing period.

15 (3) This section does not preclude an insurer from providing  
16 coverage for a shared vehicle, including, but not limited to, by  
17 contract or endorsement.

18 (4) An insurer that excludes the coverage described in  
19 subsection (1) does not have a duty to defend or indemnify for any  
20 claim that is expressly excluded. This section does not invalidate  
21 or limit an exclusion contained in a policy, including a policy in  
22 use or approved for use in this state before the effective date of  
23 this section, that excludes coverage for vehicles made available  
24 for rent, sharing, or hire or for any business use. This section  
25 does not invalidate, limit, or restrict an insurer's ability under  
26 existing law to underwrite a policy or to cancel or nonrenew a  
27 policy.

28 (5) An insurer that defends or indemnifies a claim arising out  
29 of the ownership, maintenance, or use of a shared vehicle that is

1 excluded under the terms of the insurer's policy may seek recovery  
2 from the insurer of the peer-to-peer car sharing program if the  
3 claim is made against the shared vehicle owner or the shared  
4 vehicle driver for loss or injury that occurs during the car  
5 sharing period.

6 (6) As used in this section, "car sharing period", "peer-to-  
7 peer car sharing program", "shared vehicle", "shared vehicle  
8 driver", and "shared vehicle owner" mean those terms as defined in  
9 section 3 of the peer-to-peer car sharing program act.

10 Sec. 3037. (1) At the time a new applicant for the insurance  
11 required by section 3101 for a private passenger nonfleet  
12 automobile makes an initial written application to the insurer, an  
13 insurer shall offer both of the following collision coverages to  
14 the applicant:

15 (a) Limited collision coverage, which must pay for collision  
16 damage to the insured vehicle without a deductible amount if the  
17 operator of the vehicle is not substantially at fault in the  
18 accident from which the damage arose.

19 (b) Broad form collision coverage, which must pay for  
20 collision damage to the insured vehicle regardless of fault, with  
21 deductibles in the amounts as approved by the director, which  
22 deductibles must be waived if the operator of the vehicle is not  
23 substantially at fault in the accident from which the damage arose.

24 (2) In addition to the coverages offered under subsection (1),  
25 standard and limited collision coverage may be offered with  
26 deductibles as approved by the director.

27 (3) An insurer may limit collision coverage offered under this  
28 section as provided in section 3017 **or 3018**.

29 (4) If the applicant is required by the insurer to sign the

1 written application form described in subsection (1), and if the  
2 applicant chooses to reject both of the collision coverages, or  
3 limited collision without a deductible, offered under subsection  
4 (1), the rejection must be made in writing, either on a separate  
5 form, as part of the application, or in some combination of these,  
6 as approved by the director. The rejection statement must inform  
7 the applicant of his or her rights if there is damage to the  
8 insured vehicle under the alternative coverage option selected.

9 (5) If a written application is made by mail, and if the  
10 applicant fails to sign or return a written rejection statement as  
11 required by subsection (4), the requirements of subsection (4) are  
12 considered to be satisfied with respect to the insurer if all of  
13 the following occur:

14 (a) The application provides the applicant with an opportunity  
15 to select the coverages required to be offered under subsection  
16 (1).

17 (b) The applicant is requested to sign the rejection  
18 statement, either as part of the application or as a separate form  
19 issued with the application, if the applicant fails to select  
20 either of the coverages specified in subsection (1).

21 (c) The applicant signed the application as otherwise required  
22 by the insurer.

23 (6) At the time of the initial written application described  
24 in subsection (1), an agent or insurer shall provide the applicant  
25 with a written explanation of collision coverage options in easily  
26 understandable language, if that information is not contained in  
27 the application form.

28 (7) At least annually in conjunction with the renewal of a  
29 private passenger nonfleet automobile insurance policy, or at the

1 time of an addition, deletion, or substitution of a vehicle under  
2 an existing policy, other than a group policy, an insurer shall  
3 inform the policyholder, on a form approved by the director, of all  
4 of the following:

5 (a) The current status of collision coverage, if any, for the  
6 vehicle or vehicles affected by the renewal or change and the  
7 rights of the insured under the current coverage if the vehicle is  
8 damaged.

9 (b) The collision coverages available under the policy and the  
10 rights of the insured under each collision option if the vehicle is  
11 damaged.

12 (c) Procedures for the policyholder to follow if he or she  
13 wishes to change the current collision coverage.

14 (8) As used in this section:

15 (a) "Collision damage" does not include losses customarily  
16 insured under comprehensive coverages.

17 (b) "Substantially at fault" means a person's action or  
18 inaction was more than 50% of the cause of the accident.

19 Sec. 3101. (1) Except as provided in sections 3107d and 3109a,  
20 the owner or registrant of a motor vehicle required to be  
21 registered in this state shall maintain security for payment of  
22 benefits under personal protection insurance and property  
23 protection insurance as required under this chapter, and residual  
24 liability insurance. Security is only required to be in effect  
25 during the period the motor vehicle is driven or moved on a  
26 highway.

27 (2) Except as provided in section 3107d, all automobile  
28 insurance policies offered in this state must include benefits  
29 under personal protection insurance, and property protection

1 insurance as provided in this chapter, and residual liability  
2 insurance. Notwithstanding any other provision in this act, an  
3 insurer that has issued an automobile insurance policy may only  
4 delete portions of the coverages under the policy and maintain the  
5 comprehensive coverage portion on a motor vehicle that is not  
6 driven or moved on a highway in accordance with section 3009(4).

7 (3) As used in this chapter:

8 (a) "Automobile insurance" means that term as defined in  
9 section 2102.

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

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

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

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

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

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

22 (vi) The vehicle is operated by the owner of the vehicle or an  
23 employee of the owner of the vehicle.

24 (c) "Electric bicycle" means that term as defined in section  
25 13e of the Michigan vehicle code, 1949 PA 300, MCL 257.13e.

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

28 (e) "Highway" means highway or street as that term is defined  
29 in section 20 of the Michigan vehicle code, 1949 PA 300, MCL

1 257.20.

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

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

11 (h) "Motorcycle accident" means a loss that involves the  
12 ownership, operation, maintenance, or use of a motorcycle as a  
13 motorcycle, but does not involve the ownership, operation,  
14 maintenance, or use of a motor vehicle as a motor vehicle.

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

19 (i) A motorcycle.

20 (ii) A moped.

21 (iii) A farm tractor or other implement of husbandry that is not  
22 subject to the registration requirements of the Michigan vehicle  
23 code under section 216 of the Michigan vehicle code, 1949 PA 300,  
24 MCL 257.216.

25 (iv) An ORV.

26 (v) A golf cart.

27 (vi) A power-driven mobility device.

28 (vii) A commercial quadricycle.

29 (viii) An electric bicycle.



1           (j) "Motor vehicle accident" means a loss that involves the  
2 ownership, operation, maintenance, or use of a motor vehicle as a  
3 motor vehicle regardless of whether the accident also involves the  
4 ownership, operation, maintenance, or use of a motorcycle as a  
5 motorcycle.

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

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

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

23           (ii) A person renting a motorcycle or having the use of a  
24 motorcycle under a lease for a period that is greater than 30 days,  
25 or otherwise for a period that is greater than 30 consecutive days.  
26 A person who borrows a motorcycle for a period that is less than 30  
27 consecutive days with the consent of the owner is not an owner  
28 under this subparagraph.

29           (iii) A person that holds the legal title to a motor vehicle or

1 motorcycle, other than a person engaged in the business of leasing  
2 motor vehicles or motorcycles that is the lessor of a motor vehicle  
3 or motorcycle under a lease that provides for the use of the motor  
4 vehicle or motorcycle by the lessee for a period that is greater  
5 than 30 days.

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

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

12 (n) "Registrant" does not include a person engaged in the  
13 business of leasing motor vehicles or motorcycles that is the  
14 lessor of a motor vehicle or motorcycle under a lease that provides  
15 for the use of the motor vehicle or motorcycle by the lessee for a  
16 period that is longer than 30 days.

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

22 (5) Security required by subsection (1) may be provided by any  
23 other method approved by the secretary of state as affording  
24 security equivalent to that afforded by a policy of insurance, if  
25 proof of the security is filed and continuously maintained with the  
26 secretary of state throughout the period the motor vehicle is  
27 driven or moved on a highway. The person filing the security has  
28 all the obligations and rights of an insurer under this chapter.  
29 When the context permits, "insurer" as used in this chapter,

1 includes a person that files the security as provided in this  
2 section.

3 (6) An insurer that issues a policy that provides the security  
4 required under subsection (1) may exclude coverage under the policy  
5 as provided in section 3017 **or 3018**.

6 Sec. 3113. A person is not entitled to be paid personal  
7 protection insurance benefits for accidental bodily injury if at  
8 the time of the accident any of the following circumstances  
9 existed:

10 (a) The person was willingly operating or willingly using a  
11 motor vehicle or motorcycle that was taken unlawfully, and the  
12 person knew or should have known that the motor vehicle or  
13 motorcycle was taken unlawfully.

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

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

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

23 (e) The person was the owner or operator of a motor vehicle  
24 for which coverage was excluded under a policy exclusion authorized  
25 under section 3017 **or 3018**.

26 Enacting section 1. This amendatory act takes effect 9 months  
27 after the date it is enacted into law.

28 Enacting section 2. This amendatory act does not take effect  
29 unless Senate Bill No. \_\_\_\_ or House Bill No. 5949 (request no.

**1** 06036'24) of the 102nd Legislature is enacted into law.