

SENATE BILL No. 870

March 24, 2016, Introduced by Senator SCHUITMAKER 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),
section 3101 as amended by 2014 PA 492 and section 3113 as amended
by 2014 PA 489.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Sec. 3101. (1) The owner or registrant of a motor vehicle
2 required to be registered in this state shall maintain security for
3 payment of benefits under personal protection insurance, property
4 protection insurance, and residual liability insurance. Security is
5 only required to be in effect during the period the motor vehicle
6 is driven or moved on a highway. Notwithstanding any other
7 provision in this act, an insurer that has issued an automobile
8 insurance policy on a motor vehicle that is not driven or moved on
9 a highway may allow the insured owner or registrant of the motor

1 vehicle to delete a portion of the coverages under the policy and
2 maintain the comprehensive coverage portion of the policy in
3 effect.

4 (2) As used in this chapter:

5 (a) "Automobile insurance" means that term as defined in
6 section 2102.

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

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

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

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

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

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

19 (vi) The vehicle is operated by the owner of the vehicle or an
20 employee of the owner of the vehicle.

21 (c) "Golf cart" means a vehicle designed for transportation
22 while playing the game of golf.

23 (d) "Highway" means highway or street as that term is defined
24 in section 20 of the Michigan vehicle code, 1949 PA 300, MCL
25 257.20.

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

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

8 (g) "Motorcycle accident" means a loss that involves the
9 ownership, operation, maintenance, or use of a motorcycle as a
10 motorcycle, but does not involve the ownership, operation,
11 maintenance, or use of a motor vehicle as a motor vehicle.

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

16 (i) A motorcycle.

17 (ii) A moped.

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

22 (iv) An ORV.

23 (v) A golf cart.

24 (vi) A power-driven mobility device.

25 (vii) A commercial quadricycle.

26 (i) "Motor vehicle accident" means a loss that involves the
27 ownership, operation, maintenance, or use of a motor vehicle as a

1 motor vehicle regardless of whether the accident also involves the
2 ownership, operation, maintenance, or use of a motorcycle as a
3 motorcycle.

4 (j) "ORV" means a motor-driven recreation vehicle designed for
5 off-road use and capable of cross-country travel without benefit of
6 road or trail, on or immediately over land, snow, ice, marsh,
7 swampland, or other natural terrain. ORV includes, but is not
8 limited to, a multitrack or multiwheel drive vehicle, a motorcycle
9 or related 2-wheel, 3-wheel, or 4-wheel vehicle, an amphibious
10 machine, a ground effect air cushion vehicle, an ATV as defined in
11 section 81101 of the natural resources and environmental protection
12 act, 1994 PA 451, MCL 324.81101, or other means of transportation
13 deriving motive power from a source other than muscle or wind. ORV
14 does not include a vehicle described in this subdivision that is
15 registered for use ~~upon~~ **ON** a public highway and has the security
16 ~~described in section 3101~~ **REQUIRED UNDER SUBSECTION (1) or SECTION**
17 3103 in effect.

18 (k) "Owner" means any of the following:

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

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

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

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

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

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

18 **(N) "RENTAL MOTOR VEHICLE" MEANS A MOTOR VEHICLE OWNED OR**
19 **OPERATED BY A MOTOR VEHICLE RENTAL COMPANY, AS THAT TERM IS DEFINED**
20 **IN SECTION 402C.**

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

26 (4) Security required by subsection (1) may be provided by any
27 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 Sec. 3113. A person is not entitled to be paid personal
10 protection insurance benefits for accidental bodily injury if at
11 the time of the accident any of the following circumstances
12 existed:

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

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

20 (c) The person was not a resident of this state, was an
21 occupant of a motor vehicle or motorcycle not registered in this
22 state, and the motor vehicle or motorcycle was not insured by an
23 insurer that has filed a certification in compliance with section
24 3163.

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

1 (E) THE PERSON WAS USING A RENTAL MOTOR VEHICLE AND WAS NOT AN
2 ADDITIONAL AUTHORIZED DRIVER AS DEFINED IN THE RENTAL AGREEMENT
3 APPLICABLE TO THE RENTAL MOTOR VEHICLE.