



**House  
Legislative  
Analysis  
Section**

Washington Square Building, Suite 1025  
Lansing, Michigan 48909  
Phone: 517/373-6466

**CATASTROPHIC CLAIMS**

**House Bill 4158**  
**Sponsor: Rep. Mary C. Brown**  
**Committee: Insurance**

**RECEIVED**

**APR 17 1989**

*Mich. State Law Library*

**Complete to 2-17-89**

**A SUMMARY OF HOUSE BILL 4158 AS INTRODUCED 2-14-89**

The Catastrophic Claims Association is a statutorily created organization made up of all companies selling no-fault automobile insurance and motorcycle liability insurance in Michigan. The association protects insurers from extraordinarily large personal injury losses by covering losses that exceed \$250,000. The members of the association are assessed a premium to cover the losses and expenses based on the amount of no-fault and motorcycle insurance business they do. The bill would amend the Insurance Code to: (1) make the association responsible for losses when they exceeded \$500,000 (rather than \$250,000); and (2) require prior insurance commissioner approval of assessments against association members. The threshold figure of \$500,000 would be adjusted annually based on increases in the Detroit consumer price index.

MCL 500.3104

House Bill 4158 (2-17-89)