



**House  
Legislative  
Analysis  
Section**

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**GROUP AUTO POLICY FOR DETROIT**

**House Bill 5194**

**Sponsor: Rep. Joseph Young, Jr.**

**Committee: Insurance**

**Complete to 5-29-90**

**A SUMMARY OF HOUSE BILL 5194 AS INTRODUCED 10-18-90**

The bill would amend Chapter 21 of the Insurance Code, which deals with automobile and home insurance, to stipulate that nothing in the chapter could prohibit or limit a city with a population of one million or more (Detroit) from obtaining a group automobile insurance policy that allows each resident of the city who is an "eligible person" to purchase coverage under the policy. (An "eligible person" is defined in Chapter 21 so as to exclude drivers with certain driving characteristics, such as a history of traffic violations or at-fault accidents.)

Chapter 21 currently says that it "shall not apply to insurance written on a group, franchise, blanket policy, or similar basis which offers home insurance or automobile insurance to all members of the group, franchise plan, or blanket coverage who are eligible persons." The bill would add to that, "if the group was formed in good faith for purposes other than that of obtaining insurance."

MCL 500.2105

House Bill 5194 (5-29-90)