

# HOUSE BILL No. 6040

July 22, 1992, Introduced by Reps. Olshove, Harder, Weeks, Kosteva, Wozniak, DeBeaussaert, Hickner, Yokich and Dobronski and referred to the Committee on Insurance.

A bill to amend section 328 of Act No. 300 of the Public Acts of 1949, entitled as amended

"Michigan vehicle code,"

as added by Act No. 459 of the Public Acts of 1980, being section 257.328 of the Michigan Compiled Laws; and to add section 520a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1       Section 1. Section 328 of Act No. 300 of the Public Acts of  
2 1949, as added by Act No. 459 of the Public Acts of 1980, being  
3 section 257.328 of the Michigan Compiled Laws, is amended and  
4 section 520a is added to read as follows:

5       Sec. 328. (1) The owner of a motor vehicle who operates or  
6 permits the operation of the motor vehicle upon the highways of  
7 this state or the operator of the motor vehicle shall produce,  
8 pursuant to subsection (2), upon the request of a police officer,  
9 evidence that the motor vehicle is insured under chapter 31 of

1 THE INSURANCE CODE OF 1956, Act No. 218 of the Public Acts of  
2 1956, as amended, being sections 500.3101 to 500.3179 of the  
3 Michigan Compiled Laws. An owner or operator of a motor vehicle  
4 who fails to produce evidence under this subsection when  
5 requested to produce that evidence is responsible for a civil  
6 infraction.

7 (2) A certificate of insurance ~~if~~ issued by an insurance  
8 company ~~which certificate~~ THAT states that security ~~which~~  
9 ~~meets~~ MEETING the requirements of sections 3101 and 3102 of Act  
10 No. 218 of the Public Acts of 1956, as amended, being sections  
11 500.3101 and 500.3102 of the Michigan Compiled Laws, is in force,  
12 shall be accepted as prima facie evidence that insurance is in  
13 force for the motor vehicle described in the certificate of  
14 insurance until the expiration date shown on the certificate.  
15 The certificate ~~in addition to describing the motor vehicles~~  
16 ~~for which insurance is in effect, shall state the~~ SHALL CONTAIN  
17 ALL OF THE FOLLOWING INFORMATION:

18 (A) THE VEHICLE IDENTIFICATION NUMBER.

19 (B) THE NAME AND ADDRESS OF THE INSURER.

20 (C) THE INSURANCE POLICY NUMBER.

21 (D) THE EFFECTIVE DATE AND THE EXPIRATION DATE OF THE INSUR-  
22 ANCE POLICY.

23 (E) THE name of each person ~~named on the policy, policy~~  
24 ~~declaration, or a declaration certificate~~ whose operation of the  
25 vehicle would cause the liability coverage of that insurance to  
26 become void.

1       (3) If an owner of a motor vehicle is determined to be  
2 responsible for a violation of subsection (1), the court in which  
3 the civil infraction determination is entered may require the  
4 person to surrender his or her operator's or chauffeur's license  
5 unless proof that the vehicle has insurance meeting the require-  
6 ments of section 3102 of Act No. 218 of the Public Acts of 1956,  
7 as amended, is submitted to the court. If the court requires the  
8 license to be surrendered, the court shall order the secretary of  
9 state to suspend the person's license and shall forward the sur-  
10 rendered license and a certificate of civil infraction to the  
11 secretary of state. Upon receipt of the certificate of civil  
12 infraction and the surrendered license, the secretary of state  
13 shall suspend the person's license beginning with the date on  
14 which a person is determined to be responsible for the civil  
15 infraction for a period of 30 days or until proof of insurance  
16 ~~which~~ THAT meets the requirements of section 3102 of Act  
17 No. 218 of the Public Acts of 1956, as amended, is submitted to  
18 the secretary of state, whichever occurs later. If the license  
19 is not forwarded, an explanation of the reason why it is not for-  
20 warded shall be attached. A person who submits proof of insur-  
21 ance to the secretary of state under this subsection shall pay a  
22 service fee of \$10.00 to the secretary of state. The person  
23 shall not be required to be examined as set forth in section  
24 320c.

25       (4) An owner or operator of a motor vehicle who knowingly  
26 produces false evidence under this section is guilty of a

1 misdemeanor, punishable by imprisonment for not more than 1 year,  
2 or BY a fine of not more than \$500.00, or both.

3 (5) Points shall not be entered on a driver's record pursu-  
4 ant to section 320a for a violation of this section.

5 (6) This section does not apply to the owner or operator of  
6 a motor vehicle that is registered in a state other than this  
7 state, or a foreign country or province.

8 SEC. 520A. (1) THE SECRETARY OF STATE SHALL SEND A NOTICE  
9 TO EACH REGISTERED OWNER OF A MOTOR VEHICLE REGISTERED PURSUANT  
10 TO THIS ACT IF THE SECRETARY OF STATE HAS BEEN INFORMED BY THE  
11 INSURER THAT THE POLICY OF INSURANCE FOR THE MOTOR VEHICLE HAS  
12 EXPIRED WITHOUT BEING RENEWED OR HAS BEEN TERMINATED OR CANCELED  
13 AND THE SECRETARY OF STATE HAS NOT BEEN INFORMED BY THE REGIS-  
14 TERED OWNER OF THE MOTOR VEHICLE THAT THE MOTOR VEHICLE IS  
15 INSURED UNDER ANOTHER POLICY OF INSURANCE.

16 (2) A NOTICE ISSUED PURSUANT TO THIS SECTION SHALL BE ON A  
17 FORM PRESCRIBED BY THE SECRETARY OF STATE AND SHALL CONTAIN BOTH  
18 OF THE FOLLOWING:

19 (A) A STATEMENT THAT THE INSURER HAS INFORMED THE SECRETARY  
20 OF STATE THAT THE POLICY OF INSURANCE FOR THE MOTOR VEHICLE HAS  
21 EXPIRED WITHOUT BEING RENEWED OR HAS BEEN TERMINATED OR CANCELED  
22 AND THE SECRETARY OF STATE HAS NOT BEEN INFORMED BY THE REGIS-  
23 TERED OWNER OF THE MOTOR VEHICLE THAT THE MOTOR VEHICLE IS  
24 INSURED UNDER ANOTHER POLICY OF INSURANCE.

25 (B) A STATEMENT THAT IF A REGISTERED OWNER OF THE MOTOR  
26 VEHICLE FAILS TO RESPOND TO THE NOTICE BEFORE THE EXPIRATION OF  
27 14 DAYS AFTER THE NOTICE WAS ISSUED AND FAILS TO PRESENT PROOF TO

1 THE SECRETARY OF STATE THAT IS SATISFACTORY TO THE SECRETARY OF  
2 STATE THAT THE MOTOR VEHICLE IS INSURED PURSUANT TO SECTION 520,  
3 THE SECRETARY OF STATE WILL CANCEL THE REGISTRATION OF THE MOTOR  
4 VEHICLE AND WILL NOT ISSUE A NEW REGISTRATION FOR THE MOTOR VEHI-  
5 CLE UNTIL AN OWNER OF THE MOTOR VEHICLE PROVIDES PROOF TO THE  
6 SECRETARY OF STATE THAT IS SATISFACTORY TO THE SECRETARY OF STATE  
7 THAT THE MOTOR VEHICLE IS INSURED PURSUANT TO SECTION 520.

8 (3) THE SECRETARY OF STATE SHALL CANCEL THE REGISTRATION OF  
9 A MOTOR VEHICLE UNLESS A REGISTERED OWNER OF THE MOTOR VEHICLE  
10 PROVIDES PROOF OF INSURANCE TO THE SECRETARY OF STATE AS REQUIRED  
11 UNDER THIS SECTION.

12 Section 2. This amendatory act shall not take effect unless  
13 Senate Bill No. \_\_\_\_\_ or House Bill No. 6041 (request  
14 no. 05931'92) of the 86th Legislature is enacted into law.