

## AT-FAULT ACCIDENTS

**House Bill 5004**

**Sponsor: Rep. Timothy Walberg**

**Committee: Insurance**

**Complete to 1-27-98**

### **A SUMMARY OF HOUSE BILL 5004 AS INTRODUCED 7-3-97**

The bill would amend Chapter 21 of the Insurance Code, which deals with no-fault automobile insurance (and home insurance), to address how "substantially at-fault" accidents are defined. Currently, "substantially at fault" means that a person's action or inaction was more than 50 percent of the cause of an accident. The bill would specify:

1) if a law enforcement agency had investigated an accident and had not made a determination that an individual was substantially at-fault, an automobile insurer could not make a determination that an individual was substantially at-fault; and

2) if a law enforcement agency had investigated an accident and made a determination that an individual was substantially at-fault, an insurer could not make a determination that was contrary to the determination made by the investigating law enforcement agency.

(Insurance companies are able to use "substantially at-fault accidents" in determining whether a person is an "eligible person" for automobile insurance under Chapter 21 and in determining the rate a driver must pay for insurance. Chapter 21 is sometimes referred to as the Essential Insurance Act, under which, among other things, auto insurers cannot refuse to cover "eligible persons.")

MCL 500.2104

Analyst: C. Couch

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