

AUTO FIRE LOSSES

House Bill 4332

Sponsor: Andrew Richner

**Committee: Insurance and Financial
Services**

Complete to 4-19-99

A SUMMARY OF HOUSE BILL 4332 AS INTRODUCED 2-25-99

The bill would require that, in participating municipalities, a person whose motor vehicle had suffered loss or damage due to fire or explosion caused by arson or other suspicious activity would have to submit to the responsible fire or law enforcement authority a sworn and signed affidavit before an insurance company would pay for any loss or damage. The local authority would have to review the affidavit with the insurance company insuring the damaged vehicle within 30 days after receiving the affidavit. The affidavit would have to contain information as specified by the state fire marshal.

The bill would only apply if the state fire marshal stated that the fire or explosion was believed to have been caused by arson or attempted arson or was of a suspicious or undetermined origin. It would not apply to accidental fires or explosions.

To participate in this program, a city, village, or township governing body would have to notify the state insurance commissioner in writing that it was requiring its fire and law enforcement authorities to comply uniformly. Further, a city, village, or township could only participate if it was located in a county with a population of 425,000 or more or was located in a less populous county but had a population of 50,000 or more.

The insurance commissioner would have to prepare and distribute a list of all participating cities, villages, and townships to all insurance companies transacting auto insurance in the state. A municipality could be added to the list by passing a resolution and notifying the commissioner in writing. The addition would be effective within 30 days after insurance companies were notified of the addition, with the exact date to be set by the commissioner. Losses occurring before the effective date would not be affected. Similarly, a municipality could request to be deleted from the list or could cease to participate for six months or more upon 30 days' written notice to the commissioner. Losses that occurred before the effective date of the deletion would be subject to the affidavit requirement.

MCL 500.3010

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