

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 4332 (Substitute H-1 as reported without amendment)
Sponsor: Representative Andrew Richner
House Committee: Insurance and Financial Services
Senate Committee: Financial Services

CONTENT

The bill would amend the Insurance Code to provide that in certain cities, villages, or townships, an automobile insurer could not pay a claim of \$2,000 or more for loss or damage caused by fire or explosion to an insured motor vehicle until a report had been submitted and the insurer had received a copy of it.

If an insured motor vehicle suffered a loss or damage caused by fire or explosion, the insured would have to submit to the fire or law enforcement authority designated by the local unit, a report prescribed by the State Fire Marshal that required information concerning the motor vehicle fire or explosion. The bill would not apply to accidental fires or explosions as determined by the insurer or the designated fire or law enforcement authority. If the insurer or the designated authority determined that the fire or explosion could not be accidental, however, the insurer or the authority would have to notify the insured of the reporting requirement within 30 days after that determination.

The bill would apply only if the fire or law enforcement authority responsible for investigating the fire or explosion were located in a city, village, or township that was in a county with a population of 425,000 or more, or if the city, village, or township had a population of 50,000 or more. Also, the local unit pursuant to a resolution would have to notify the Commissioner of the Office of Financial and Insurance Services (OFIS) that it had elected to receive the reports and give the name and address of the fire or law enforcement authority designated to receive them.

The Commissioner would have to prepare and distribute a list of all local units that had elected to apply these provisions to all insurance companies transacting automobile insurance in the State.

Proposed MCL 500.3010

Legislative Analyst: N. Nagata

FISCAL IMPACT

The bill would place additional responsibilities on the OFIS as it would require the development and maintenance of a list of municipalities participating in the program. There are no additional resources identified to cover the costs of this new program.

Date Completed: 12-11-00

Fiscal Analyst: M. Tyszkiewicz

floor\hb4332 (H-1)

Analysis available @ <http://www.michiganlegislature.org>

This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.