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HOUSE FISCAL AGENCY

124 N. Capitol Avenue
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SB199 AS REPORTED WITHOUT AMENDMENT

Sponsor
Committee

Sen. Joanne G. Emmons
REGULATORY REFORM

Analyst(s) Schneider, Bob

Completed 3/2/01

State Fiscal Impact

| | |
|----------|------|
| Cost | None |
| Revenues | None |

Local Fiscal Impact

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|----------|------|
| Cost | None |
| Revenues | None |

The bill provides for gradual increases in the no-fault auto insurers' retention limit. The limit represents the amount that a single no-fault auto insurer must cover for losses covered under personal protection insurance coverages. Beyond the limit, the Michigan Catastrophic Claims Association provides indemnification for these losses. The limit would be increased from its current \$250,000 level to a new \$300,000 level for policies issued or renewed between July 1, 2002 and June 30, 2003. The limit would continue to increase each July 1 thereafter until it reached \$500,000 for policies issued or renewed between July 1, 2011 and June 30, 2013. Beginning July 1, 2013, the limit would be increased biennially by the lesser of either 6% or the consumer price index.

Because the MCCA is a private, non-profit organization, the bill would have no fiscal impact on the state or on local units of government.