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## REDUCE MCCA PREMIUM FOR HISTORIC VEHICLES

House Bill 4007 (Substitute H-5)

Sponsor: Rep. Ron Jelinek

Committee: Insurance and Financial  
Services

Complete to 12-4-02

### A SUMMARY OF HOUSE BILL 4007 (SUBSTITUTE H-5)

The bill would amend the Insurance Code to reduce the premium charged for historic vehicles for the Michigan Catastrophic Claims Association (MCCA). Under the bill, the premium charged for a historic vehicle would be 20 percent of the premium otherwise charged for each car and motorcycle.

(The MCCA is a statutorily mandated nonprofit association made up of the companies writing auto insurance in the state. Michigan's no-fault auto insurance system provides unlimited lifetime medical and rehabilitation benefits. An auto insurer is responsible for the first \$250,000 of a personal injury protection claim for a policy issued or renewed before July 1, 2002 [\$300,000 for policies issued or renewed between July 1, 2002 and June 30, 2003 – with statutorily mandated incremental increases until the period between July 1, 2011 and June 30, 2012 when the amount reaches \$500,000; after that period, the indemnification amount would be adjusted for inflation biennially in odd-numbered years]. Amounts above these amounts are the financial responsibility of the MCCA. In essence, the MCCA is a statutorily created reinsurer for auto insurers.)

The term "historic vehicle" would be defined to refer to a vehicle that is a registered historic vehicle under the Michigan Vehicle Code (at MCL 257.803a). Such a vehicle must be over 25 years old, be owned solely as a collector's item and for participation in club activities, exhibitions, tours, parades, and similar uses. It cannot be used for general transportation.

MCL 500.3104

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