



House Office Building, 9 South
Lansing, Michigan 48909
Phone: 517/373-6466

AUTO LIABILITY POLICY CANCELLATION PROCEDURES

House Bill 4784

Sponsor: Rep. Alan Sanborn

**Committee: Insurance and Financial
Services**

Complete to 5-25-01

A SUMMARY OF HOUSE BILL 4784 AS INTRODUCED 5-17-01

The Insurance Code of 1956 allows an insurer to cancel an automobile liability insurance policy on certain grounds. The insurer must send a written notice of cancellation, explaining the grounds for cancellation, to the insured. Under certain circumstances, the insured may request a hearing to contest the grounds for cancellation by filing a written request for hearing within seven days after the date of postmark indicating mailing of the notice of cancellation. Currently, the law specifies that the insured is to file the request with the Department of Insurance and requires the insured to pay a \$15 filing fee.

House Bill 4784 would eliminate the filing fee and specify that the request for a hearing to contest cancellation of an automobile liability insurance policy is to be filed with the Commissioner of Insurance. The request would still have to be filed within seven days after the date of the postmark date of the cancellation notice.

MCL 500.3230

House Bill 4784 (5-25-01)

Analyst: J. Caver

■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.