

AUTO INSURANCE – MERIT RATING PLAN



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FISCAL ANALYSIS

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SENATE BILL 882 AS REPORTED W/O AMENDMENT

Sponsor: Sen. Alan Sanborn

House Committee: Insurance and Financial Services

FLOOR ANALYSIS - 3/20/02

Analyst(s): Bob Schneider

SUMMARY

The bill would amend the Insurance Code to establish a secondary, merit rating plan for use by the Automobile Insurance Placement Facility, which is charged in statute with providing automobile insurance for higher risk drivers. The plan would allow the facility to charge premium surcharges on insureds with convictions on one or more listed provisions of the Michigan Vehicle Code or of corresponding out-of-state laws. Since the facility is administered privately, the bill would have no fiscal impact on the State or on local units of government.