

CATASTROPHIC CLAIMS PREMIUM; REDUCE FOR HISTORIC VEHICLES



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FISCAL ANALYSIS

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HOUSE BILL 4007 SUBSTITUTE (H-5)

Sponsor: Rep. Ron Jelinek

House Committee: Insurance and Financial Services

FLOOR ANALYSIS - 12/4/02

Analyst(s): Bob Schneider

SUMMARY

The bill reduces the premium paid by member insurers to the Michigan Catastrophic Claims Association for an insured "historic vehicle" – as defined in the bill. Member insurers would be charged by the MCCA a premium equal to 20% of the premium otherwise charged for each insured car and motorcycle. The bill would not affect the total premium imposed by the association on all insurers. However, it could affect the distribution of this premium across member insurers, with insurers that provide insurance for a relatively larger share of historic vehicles than the average insurer paying slightly less under the bill (and vice versa). Since the MCCA is a private, non-profit entity, the bill would have no fiscal impact on the State or on local units of government.