

Senate Fiscal Agency
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Senate Bill 882 (Substitute S-1 as reported)
Sponsor: Senator Alan Sanborn
Committee: Financial Services

CONTENT

The bill would amend the Insurance Code to establish a secondary, or merit, rating plan for use by the Automobile Insurance Placement Facility, which would allow the Facility to charge premium surcharges to insureds who had been convicted of certain crimes.

Under the Code, an Automobile Insurance Placement Facility is established to provide auto insurance for those who are unable to obtain it through ordinary methods. Rules and rates must be filed with and approved by the Commissioner of the Office of Financial and Insurance Services.

The bill would create a secondary rating plan based on an insured's violations of the Michigan Vehicle Code, Michigan Penal Code, or corresponding out-of-state laws. The Facility could charge premium surcharges on all auto insurance coverage, except comprehensive coverage, for convictions of one or more of the following:

- Driving with a revoked or suspended license.
- Operating a vehicle without a license.
- Attempted murder resulting from or in connection with operation of a motor vehicle.
- First-degree murder resulting from or in connection with operation of a motor vehicle.
- Second-degree murder resulting from or in connection with operation of a motor vehicle.
- Manslaughter or attempted manslaughter resulting from or in connection with operation of a motor vehicle.
- Negligent homicide resulting from operation of a motor vehicle.
- Willful and malicious destruction of turf, trees, plants, etc. resulting from or in connection with a motor vehicle.
- Auto theft.
- Felonious driving: driving with wanton disregard for the safety of others, and causing injury but not death. (This section of the Penal Code was repealed on February 1, 2002.)

Proposed MCL 500.3341

Legislative Analyst: Claire Layman

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 2-6-02

Fiscal Analyst: Elizabeth Pratt