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Senate Bill 882 (as introduced 12-4-01)  
Sponsor: Senator Alan Sanborn  
Committee: Financial Services

Date Completed: 2-5-02

### **CONTENT**

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

Under the Code, an Automobile Insurance Placement Facility is established to provide auto insurance for those who are unable to obtain car insurance through ordinary methods. Under Section 3340, the Facility is required to file with the Commissioner of the Office of Financial and Insurance Services every rating plan and manual of rules and rates. Every participating member insurer of the Facility must then use the rules and rates approved by the Commissioner.

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, excepting comprehensive coverage, for one or more of the following violations:

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 (This section of the Penal Code will be repealed on February 1, 2002.)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

Fiscal Analyst: Liz Pratt

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.