

Senate Fiscal Agency  
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**SFA****BILL ANALYSIS**

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Senate Bill 1164 (as enrolled)  
Sponsor: Senator Bill Bullard, Jr.  
Senate Committee: Financial Services  
House Committee: Insurance and Financial Services

**PUBLIC ACT 697 of 2002**

Date Completed: 2-11-03

**CONTENT**

**The bill amends the Insurance Code to limit the liability of an insurance company for medical expenses incurred by an out-of-state resident injured in an automobile accident in Michigan, but permit out-of-state residents to sue a Michigan insured to recover excess economic loss.** The bill states that it applies to motor vehicle accidents occurring on or after January 1, 2003. The bill will take effect March 31, 2003.

Currently, insurance companies authorized to transact automobile and personal and property protection insurance in the State, or insurers that file a certificate stating they are subject to the personal and property protection system, are liable for the entire personal and property protection costs a nonresident incurs while traveling in Michigan.

Under the bill, the amount of benefits a nonresident may recover under these provisions from an auto insurance company for accidental bodily injury is capped at \$500,000.

At present, the Code prohibits a person from suing for damages associated with a vehicle covered by no-fault insurance, although a person may sue for intentionally caused harm, noneconomic loss, or excess economic loss under certain circumstances. The bill permits a nonresident limited from the full recovery of PPI benefits under the bill to sue a Michigan insured for economic loss in excess of \$500,000. The bill specifies that these damages are not recoverable to the extent that benefits covering the same loss are available from other sources, regardless of the nature or number of benefit sources available, and regardless of the nature or form of the benefits.

MCL 500.3135 & 500.3163

Legislative Analyst: Claire Layman

**FISCAL IMPACT**

The bill will increase the administrative responsibilities for the Office of Financial and Insurance Services, which may increase costs. The bill will not generate additional revenue; therefore, existing revenues will have to be used to cover staff and other costs associated with this change.

Fiscal Analyst: Maria Tyszkiewicz

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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.