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SFA**BILL ANALYSIS**

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Senate Bill 1164 (Substitute S-2 as reported)
Sponsor: Senator Bill Bullard, Jr.
Committee: Financial Services

CONTENT

The bill would amend the Insurance Code to exempt certain nonresidents from personal protection automobile insurance benefits, but permit a nonresident to sue for economic loss that was not covered by any other benefits. The bill would apply to motor vehicle accidents occurring on or after January 1, 2003.

The bill specifies that personal protection insurance (PPI) benefits would not be payable if the injured individual were a nonresident of Michigan and, under an automobile insurance policy issued under the Code, were not a named insured, the spouse of the insured, or a relative of either domiciled in the same household.

The Code prohibits a person from suing for damages associated with a vehicle covered by no-fault insurance, although a resident may sue for intentionally caused harm, noneconomic loss, or excess economic loss under certain circumstances. The bill would permit a nonresident precluded from the recovery of PPI benefits under the bill to sue for economic loss. The bill specifies that these damages would not be recoverable to the extent that benefits covering the same loss were available from other sources, regardless of the nature or number of benefit sources available, and regardless of the nature or form of the benefits.

Under the Code, an insurer authorized to transact automobile liability insurance and personal and property protection insurance in the State must file and maintain a written certification that any accidental bodily injury or property damage occurring in the State, and arising from the ownership, operation, or use of a motor vehicle by an out-of-State resident who is insured under its automobile liability insurance policies, is subject to the personal and property protection insurance system under the Code. The bill would delete the references to bodily injury and personal protection in this provision. Insurers still would have to certify that nonresidents would be covered for property damage.

MCL 500.3163 et al.

Legislative Analyst: Claire Layman

FISCAL IMPACT

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

Date Completed: 3-15-02

Fiscal Analyst: Elizabeth Pratt