

Senate Fiscal Agency
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SFA**BILL ANALYSIS**

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House Bill 4007 (Substitute H-5 as passed by the House)
Sponsor: Representative Ron Jelinik
House Committee: Financial and Insurance Services

CONTENT

The bill would amend the Insurance Code to reduce the premium charged by the Michigan Catastrophic Claims Association (MCCA) for a historic vehicle to 20% of the premium otherwise charged for a car.

The bill specifies that a member of the MCCA (a company writing automobile insurance) would have to be charged a premium for a historic vehicle insured with the member of 20% of the premium charged for a car insured with the member. The bill states that "car" would not include a historic vehicle. The bill would define "historic vehicle as a vehicle that is registered as a historic vehicle under Section 803a or 803p of the Michigan Vehicle Code. Section 803a allows the Secretary of State to issue a historic vehicle registration plate to the owner of a historic vehicle. Under Section 803p, the owner of a historic vehicle, upon application, may use an authentic Michigan registration plate for the vehicle. Under both sections, the vehicle must be owned and operated solely as a historic vehicle and found to be safe to operate on the highways of the State.)

(The MCCA acts as a reinsurer for automobile insurers, by reimbursing a company for the amount of personal injury protection losses over a certain amount, presently \$300,000. All automobile insurers in Michigan must belong to the MCCA and pay a premium sufficient to cover its expected losses and expenses. The amount charged to an insurer is based on several factors, including the average premium per car, calculated as prescribed in the Code. The insurers may pass on their assessments to policyholders.)

MCL 500.3104

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

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

Date Completed: 12-9-02

Fiscal Analyst: Maria Tyszkiewicz