

Legislative Analysis



INCREASE MINI-TORT TO \$1,500

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House Bill 5838

Sponsor: Rep. Tim Melton

Committee: Insurance

Complete to 4-28-08

A SUMMARY OF HOUSE BILL 5838 AS INTRODUCED 2-28-08

Under Michigan's No-Fault automobile insurance system, motorists typically look to their own insurance policies for benefits in cases of accidents and injuries and can only sue another motorist in extraordinary circumstances. The Insurance Code describes when lawsuits are permitted. However, the Insurance Code does provide for a so-called mini-tort, which allows a driver to seek to recover the amount of the deductible in his or auto insurance policy from an at-fault driver in an accident. (Specifically, the code allows a driver to seek "damages [that] are not covered by insurance.") The current cap on this mini-tort is \$500. House Bill 5838 would increase this cap to \$1,500.

MCL 500.3135

FISCAL IMPACT:

The bill would appear to have no significant impact on state or local government.

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