



Senate Fiscal Agency
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**BILL ANALYSIS**

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House Bill 4177 (as reported with amendment)
Sponsor: Representative Dudley Spade
House Committee: Insurance
Senate Committee: Banking and Financial Institutions

CONTENT

The bill would amend the Insurance Code to prohibit an automobile insurer from refusing to insure, refusing to continue to insure, limiting coverage available to, charging reinstatement fees for, or increasing the premiums for automobile insurance solely because a person failed to maintain insurance required by Section 3101 for a vehicle he or she owned during the six-month period immediately preceding application, if the person certified on a form provided by the insurer that the lapse in coverage was because the person was on active duty in the U.S. Armed Forces for at least 30 consecutive days and the vehicle was not driven or moved during the six-month period immediately preceding application or during the period of time the insurance was not maintained, whichever was shorter. This provision would apply only to an eligible person.

(Section 3101 requires an owner or registrant of a motor vehicle required to be registered in the State to maintain security for payment of benefits under personal protection insurance, property protection insurance, and residual liability insurance during the period the motor vehicle is driven or moved upon a highway. An "eligible person" is a person who is an owner or registrant of an automobile registered or to be registered in this State or who holds a valid Michigan driver license. The term does not include certain people, such as someone whose driver license is suspended or revoked, whose vehicle fails to meet motor vehicle safety standards, or who has been convicted of an offense specified in the Code.)

MCL 500.2118 et al.

Legislative Analyst: Craig Laurie

FISCAL IMPACT

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

Date Completed: 5-30-07

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