



Senate Fiscal Agency
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BILL



ANALYSIS

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Senate Bill 995 (Substitute S-1 as reported)
Sponsor: Senator Howard C. Walker
Committee: Insurance

(as enrolled)

CONTENT

The bill would amend the Public Health Code to limit to \$2.0 million the maximum amount of liability coverage required for each aircraft transport vehicle in an aircraft transport operation that transported patients less than an average of 45 times a year in the five-year period before coverage began. The air transport operator that had a valid Federal Aviation Regulation Part 135 air carrier certificate would have to have its base of operation and primary business address on an island in the Great Lakes more than 20 miles from the nearest mainland airport.

The Code prohibits a person from operating an aircraft transport vehicle unless it is licensed by the Department of Community Health (DCH) and operated as part of a licensed aircraft transport operation. The operation must submit an application and a \$100 fee for each vehicle in service. The application must include a certificate of insurance for the vehicle in the amount and coverage required by the DCH.

Under the bill, when the DCH determined the required amount of liability coverage, if an operation met the criteria described above, the coverage required could not exceed \$2.0 million.

MCL 333.20934

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would reduce the cost of liability insurance for certain aircraft transport operations that transport patients. Such a change would result in an indeterminate reduction in costs for publicly owned facilities, such as hospitals, that operate such aircraft.

Date Completed: 6-6-12

Fiscal Analyst: Steve Angelotti