



Senate Fiscal Agency
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Senate Bill 1140 (as introduced 11-12-14)
Sponsor: Senator Virgil Smith
Committee: Insurance

(Senate-passed version)

Date Completed: 12-2-14

CONTENT

The bill would amend the Insurance Code to provide that a person using a motor vehicle or motorcycle taken unlawfully, or as to which he or she was named as an excluded driver, would not be entitled to personal protection insurance benefits for accidental bodily injury.

Under the Code, a person is not entitled to be paid personal protection insurance benefits for accidental bodily injury if, at the time of the accident, the person was using a motor vehicle or motorcycle that he or she had taken unlawfully, unless the person reasonably believed that he or she was entitled to use the motor vehicle or motorcycle. The bill instead provides that a person would not be entitled to insurance benefits if the person were using a motor vehicle or motorcycle that was taken unlawfully, unless the person believed that he or she or the driver was entitled to use it.

Also, under the bill, a person who was operating a motor vehicle or a motorcycle as to which he or she was named as an excluded operator as allowed under Section 3009(2) of the Code would not be entitled to personal protection insurance benefits for accidental bodily injury.

(Section 3009(2) allows an insured to exclude automobile liability or motor vehicle liability coverage when a vehicle is operated by a particular person.)

MCL 500.3113

Legislative Analyst: Jeff Mann

FISCAL IMPACT

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

Fiscal Analyst: Glenn Steffens

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.