

Legislative Analysis



PROOF OF AUTO INSURANCE

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House Bill 4193 as introduced
Sponsor: Rep. Aric Nesbitt
Committee: Insurance
Complete to 3-4-15

Analysis available at
<http://www.legislature.mi.gov>

SUMMARY:

Under the Insurance Code, generally speaking, auto insurance coverage is mandatory for the operation of a motor vehicle. Under the Vehicle Code, drivers must show proof of no-fault auto insurance at the request of a police officer. The Vehicle Code also describes the manner in which proof of insurance is to be provided to the Secretary of State when registering a motor vehicle. Under both statutes, auto insurance companies must regularly transmit information about the vehicles they insure to the Department of State. House Bill 4193 would amend the Vehicle Code (at MCL 257.227 & 328) regarding this system in the following ways.

****** A certificate of insurance in electronic form would be considered prima facie evidence that motor vehicle insurance is in force when proof of insurance was requested by a police officer.

****** If a person displayed an electronic copy of the certificate of insurance using an electronic device, the police officer could only view the copy of the certificate and would be prohibited from manipulating the device to view any other information on the device. A person who displayed a certificate of insurance using an electronic device would not be presumed to have consented to a search for that device. The state, a law enforcement agency, or an employee of the state or law enforcement agency, would not be liable for damage to an electronic device as a result of a police officer's viewing of the device, regardless of who was in possession of the device at the time of the damage.

****** The Secretary of State would have to make the vehicle policy information from insurance companies available to the State Police for the purpose of determining whether evidence exists that a motor vehicle is insured. Currently, policy information submitted by an insurance company and received by the Secretary of State is confidential, is not subject to the Freedom of Information Act, and is not to be disclosed to any person except the Department of Community Health (for certain specified purposes) or under an order by a court of competent jurisdiction in connection with a claim or fraud investigation or prosecution.

(An insurance company must send the Secretary of State for each of its policies: the automobile insurer's name, the named insured, the named insured's address, the vehicle identification number for each such vehicle listed on the policy, and the policy number. The information is to be sent in a format and on a timeline specified by the SOS, although

not more often than every 14 days. The Secretary of State must accept as proof of vehicle insurance a transmission of the insured vehicle's vehicle identification number.)

FISCAL IMPACT:

The bill would have no significant fiscal impact on the Michigan State Police.

The bill would have no significant fiscal impact on the Secretary of State, as any potential increased administrative costs would be absorbed by current funding levels.

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