

Legislative Analysis



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Senate Bill 985 as enrolled

Sponsor: Sen. Joe Hune

House Committee: Insurance [Discharged]

Senate Committee: Insurance

Complete to 12-28-18

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

(Vetoed by the Governor 12-27-18)

SUMMARY:

Senate Bill 985 would amend the Insurance Code to stipulate that an automobile club contract is not insurance or the business of insurance and is not subject to the Code.

The bill would define an *automobile club* as a legal entity that, in exchange for dues, assessments, or other periodic payment, promises to provide to its members or subscribers assistance in matters relating to motor travel or the operation, use, or maintenance of a motor vehicle, such as towing or emergency road service, legal or financial service, theft service, map and touring service, discount service, bail and arrest bond certificate service, or insurance service.

The bill would take effect 90 days after being enacted.

Proposed MCL 500.130

FISCAL IMPACT:

The bill would have no fiscal impact on the state or units of local government.

Vetoed 12-27-18:

In his veto message, Governor Snyder noted that the Insurance Code “presently prohibits a person from acting as an insurer, and prohibits an insurer from issuing a policy or transacting insurance in Michigan unless authorized to do so by a certificate granted by the Department of Insurance and Financial Services,” and that he vetoed the bill because it “would allow automobile clubs to provide an array of services, including ‘insurance service’ and ‘financial service’ without any oversight by the Department of Insurance and Financial Services.”

Legislative Analyst: Rick Yuille
Fiscal Analyst: Marcus Coffin

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