

**MOTOR VEHICLE ACCIDENT CLAIMS ACT (EXCERPT)**  
**Act 198 of 1965**

**257.1106 Death or injury by uninsured motorist; application for payment from fund; disputing liability; payment; subrogation; suspension; default in payments.**

Sec. 6. (1) Where the death of or personal injury or property damage to any person or property is occasioned in this state by an uninsured motor vehicle, any person who would have a cause of action against the owner or driver of the uninsured motor vehicle in respect to the death or personal injury, or property damage except a person entitled to make an application under section 7, may make application, in a form prescribed by the secretary, for payment out of the fund subject to the limitations provided in this act for all damages in respect to the death or personal injury and for damages in excess of \$200.00 in respect to property damage.

(2) Upon receipt of application under this section, the secretary shall forward, by certified mail, notice of the application to the owner and driver of the uninsured motor vehicle against whom liability for damages is alleged, to their last addresses as recorded with the secretary. If any person to whom a notice is sent replies in writing within 20 days of the date upon which the notice was sent, disputing his liability, the provisions of subsection (5) shall be suspended as to such person, until such person executes a written consent to such payment or the secretary obtains a judgment for such payment against such person in a court of law.

(3) In respect to the application, the secretary may make payment out of the fund, subject to section 23, of an amount that he deems proper if the applicant executes a written release of all claims arising out of the accident to be paid from the fund.

(4) Where an amount is paid out of the fund under this section, the secretary is subrogated to the rights of the person to whom the amount is paid and may maintain an action in his own name or in the name of the person against the person responsible for the use or operation of the uninsured motor vehicle.

(5) Where payment is made under this section, the operator's or chauffeur's license and owner's registration or registrations of the persons to whom the notice was forwarded under this section shall be forthwith suspended by the secretary and shall not be reinstated until such person or persons have:

(a) Repaid in full to the fund the amount paid out; or

(b) Commenced installment repayments in accordance with an agreement made with the secretary, and filed proof of financial responsibility until the amount paid out in settlement of the claim by the motor vehicle accident claims fund has been repaid in full.

(6) Where a person who has commenced repayment of an amount paid out of the fund is in default in any payment for a period of 10 days, or fails to maintain proof of financial responsibility as required by this act, the secretary shall forthwith suspend the operator's or chauffeur's license and vehicle registration or registrations of the person.

**History:** 1965, Act 198, Eff. Nov. 1, 1965;—Am. 1965, Act 389, Imd. Eff. Oct. 25, 1965;—Am. 1967, Act 274, Imd. Eff. July 20, 1967;—Am. 1968, Act 223, Eff. July 1, 1968.