



Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536



BILL ANALYSIS

Telephone: (517) 373-5383
Fax: (517) 373-1986

Senate Bills 1322, 1323, and 1324 (as introduced 9-25-12)
Sponsor: Senator Joe Hune
Committee: Insurance

(as enacted)

Date Completed: 11-27-12

CONTENT

Senate Bill 1322 would amend the Motor Bus Transportation Act to refer to the Commissioner of the Office of Financial and Insurance Regulation and a section of the Insurance Code, rather than the Secretary of State and a section of the Michigan Vehicle Code, in provisions related to a certificate of self-insurance for motor vehicles.

Senate Bills 1323 and 1324 would amend Public Act 35 of 1951 (which governs intergovernmental contracts between municipal corporations) and the Motor Vehicle Accident Claims Act, respectively, to refer to a certificate of self-insurance under the Insurance Code, rather than the Vehicle Code.

All of the bills would take effect on January 1, 2013.

Senate Bill 1322

Under the Motor Bus Transportation Act, an applicant for a certificate of authority from the Michigan Department of Transportation to provide transportation service must acquire specific types and amounts of liability insurance coverage for acts or omissions of the applicant as a motor carrier of passengers.

The insurance requirements are waived if the applicant qualifies for and obtains a certificate of self-insurance from the Secretary of State (SOS) under Section 531 of the Michigan Vehicle Code. The bill would refer, instead, to the Commissioner of the Office of Financial and Insurance Regulation under Section 3101d of the Insurance Code.

(Under Section 531 of the Vehicle Code, any person in whose name more than 25 motor vehicles are registered may qualify as a self-insurer by obtaining a certificate of self-insurance issued by the SOS. The SOS may issue a certificate when he or she is satisfied that the applicant possesses and will continue to possess the ability to pay judgments obtained against the person.)

Public Act 204 of 2012 repeals Section 531 effective January 1, 2013, and adds Section 3101d to the Insurance Code. Section 3101d contains language identical to Section 531, but refers to the Commissioner rather than the SOS.)

Senate Bill 1323

Public Act 35 of 1951 provides that a group self-insurance pool is considered a self-insurer for motor vehicle security under the Insurance Code. Members participating in the motor

vehicle self-insurance provided by the pool are considered to meet the Insurance Code's requirements of security, and are not required to apply for a certificate of self-insurance under the Section 531 of the Vehicle Code. The bill would refer, instead, to Section 3101d of the Insurance Code, in these provisions.

Senate Bill 1324

The Motor Vehicle Claims Act defines "uninsured motor vehicle" as a motor vehicle as to which there is not in force a liability policy that meets certain requirements of the Insurance Code, and that is not owned by a holder of self-insurance as provided in Section 531 of the Vehicle Code. The bill would refer, instead, to Section 3101d of the Insurance Code.

MCL 474.109 (S.B. 1322)
124.9 (S.B. 1323)
257.1102 (S.B. 1324)

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

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

Fiscal Analyst: Joe Carrasco
Josh Sefton

S1112\s1322sa

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.