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House Bill 5362 (Substitute H-1 as passed by the House)  
Sponsor: Representative Cindy Denby  
House Committee: Insurance  
Senate Committee: Insurance

Date Completed: 4-23-12

### **CONTENT**

**The bill would amend the Insurance Code to increase from \$500 to \$1,000 the amount of motor vehicle damage not covered by insurance for which a person may sue the responsible party under the State's no-fault insurance provisions.**

The Code requires the owner or registrant of a motor vehicle to maintain security for payment of benefits under personal protection insurance, property protection insurance, and residual liability insurance. The Code precludes tort liability arising from the ownership, maintenance, or use of a motor vehicle for which the required security is in effect, subject to certain exceptions. The exceptions include damage to a motor vehicle of up to \$500, to the extent that the damage is not covered by insurance. Damages must be assessed on the basis of comparative fault, but may not be assessed in favor of a party who is more than 50% at fault.

The bill would increase the amount of damage in these provisions to \$1,000. The bill provides that damages could not be assessed if the damaged motor vehicle were being operated at the time of the damage without the security required by the Code.

MCL 500.3135

Legislative Analyst: Julie Cassidy

### **FISCAL IMPACT**

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

Fiscal Analyst: Dan O'Connor

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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.