



Senate Fiscal Agency
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BILL ANALYSIS



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House Bill 4455 (Substitute H-1 as reported with amendment)
Sponsor: Representative Deb Shaughnessy
House Committee: Insurance
Senate Committee: Insurance

CONTENT

The bill would amend the Insurance Code to transfer the functions of the Secretary of State pertaining to the Assigned Claims Plan and Assigned Claims Facility (ACF) to the Michigan Automobile Insurance Placement Facility (MAIPF). Specifically, the bill would do the following:

- Require the MAIPF to adopt and maintain an assigned claims plan in which all auto insurers and self-insurers in Michigan would have to participate.
- Require the MAIPF board of governors to submit the plan to the Commissioner of the Office of Financial and Insurance Regulation for approval by August 1, 2012.
- Provide that the new plan would take effect upon the Commissioner's approval.
- Require the Commissioner to report to the Legislature within one year after all functions were transferred to the MAIPF.
- Provide for the suspension or revocation of the registration and license of a debtor who defaulted on his or her payments to the MAIPF.
- After the new plan was approved, require the MAIPF board to report annually to the Commissioner and require the Commissioner to report to the Legislature on its effectiveness.
- Provide that knowingly providing false information in support of a claim to the MAIPF would be a fraudulent insurance act.

(Under the Code, a person who commits a fraudulent insurance act is guilty of a felony punishable by imprisonment for up to four years and/or a maximum fine of \$50,000, and must be ordered to pay restitution as provided in the Code of Criminal Procedure and the Crime Victim's Rights Act. A person who enters into an agreement or conspiracy to commit a fraudulent insurance act is guilty of a felony punishable by imprisonment for up to 10 years and/or a maximum fine of \$50,000, and must be ordered to pay restitution.)

MCL 500.3171 et al.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on the Department of State. Although the bill would move a majority of the functions to the Michigan Automobile Insurance Placement Facility, the Secretary of State would still incur some costs associated with the suspension and reinstatement of licenses. The amount of those costs is indeterminate and would depend on the number of licensed drivers affected.

Date Completed: 6-13-12

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