



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bills 1322, 1323, and 1324 (as reported without amendment)
Sponsor: Senator Joe Hune
Committee: Insurance

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.

Under the 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. The insurance requirements are waived if the applicant 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 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.

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.

Date Completed: 11-29-12

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