

HOUSE BILL No. 5316

November 30, 1989, Introduced by Reps. Willis Bullard, Wartner, Law, Bartnik, Maynard, Trim, Dunaskiss and Jaye and referred to the Committee on Insurance.

A bill to amend sections 328 and 521 of Act No. 300 of the Public Acts of 1949, entitled as amended "Michigan vehicle code," section 328 as added by Act No. 459 of the Public Acts of 1980, being sections 257.328 and 257.521 of the Michigan Compiled Laws; and to add section 520a.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Sections 328 and 521 of Act No. 300 of the
2 Public Acts of 1949, section 328 as added by Act No. 459 of the
3 Public Acts of 1980, being sections 257.328 and 257.521 of the
4 Michigan Compiled Laws, are amended and section 520a is added to
5 read as follows:

6 Sec. 328. (1) The owner of a motor vehicle who operates or
7 permits the operation of the motor vehicle upon the highways of
8 this state or the operator of the motor vehicle shall produce,

1 pursuant to subsection (2), upon the request of a police officer,
2 evidence that the motor vehicle is insured under chapter 31 of
3 Act No. 218 of the Public Acts of 1956, as amended, being sec-
4 tions 500.3101 to 500.3179 of the Michigan Compiled Laws. An
5 owner or operator of a motor vehicle who fails to produce evi-
6 dence under this subsection when requested to produce that evi-
7 dence is responsible for a civil infraction.

8 (2) A certificate of insurance ~~, if~~ issued by an insurance
9 company ~~, which certificate~~ THAT states that security ~~which~~
10 ~~meets~~ MEETING the requirements of sections 3101 and 3102 of Act
11 No. 218 of the Public Acts of 1956, as amended, being sections
12 500.3101 and 500.3102 of the Michigan Compiled Laws, is in force,
13 shall be accepted as prima facie evidence that insurance is in
14 force for the motor vehicle described in the certificate of
15 insurance until the expiration date shown on the certificate.
16 The certificate ~~, in addition to describing the motor vehicles~~
17 ~~for which insurance is in effect, shall state the~~ SHALL CONTAIN
18 ALL OF THE FOLLOWING INFORMATION FOR EACH INSURED VEHICLE:

19 (A) THE VEHICLE IDENTIFICATION NUMBER.

20 (B) THE NAME AND ADDRESS OF THE INSURER.

21 (C) THE INSURANCE POLICY NUMBER.

22 (D) THE EFFECTIVE DATE AND THE EXPIRATION DATE OF THE INSUR-
23 ANCE POLICY.

24 (E) THE name of each person ~~named on the policy, policy~~
25 ~~declaration, or a declaration certificate~~ whose operation of the
26 vehicle would cause the liability coverage of that insurance to
27 become void.

1 (3) If an owner of a motor vehicle is determined to be
2 responsible for a violation of subsection (1), the court in which
3 the civil infraction determination is entered may require the
4 person to surrender his or her operator's or chauffeur's license
5 unless proof that the vehicle has insurance meeting the require-
6 ments of section 3102 of Act No. 218 of the Public Acts of 1956,
7 as amended, is submitted to the court. If the court requires the
8 license to be surrendered, the court shall order the secretary of
9 state to suspend the person's license and shall forward the sur-
10 rendered license and a certificate of civil infraction to the
11 secretary of state. Upon receipt of the certificate of civil
12 infraction and the surrendered license, the secretary of state
13 shall suspend the person's license beginning with the date on
14 which a person is determined to be responsible for the civil
15 infraction for a period of 30 days or until proof of insurance
16 which meets the requirements of section 3102 of Act No. 218 of
17 the Public Acts of 1956, as amended, is submitted to the secre-
18 tary of state, whichever occurs later. If the license is not
19 forwarded, an explanation of the reason why it is not forwarded
20 shall be attached. A person who submits proof of insurance to
21 the secretary of state under this subsection shall pay a service
22 fee of \$10.00 to the secretary of state. The person shall not be
23 required to be examined as set forth in section 320c.

24 (4) An owner or operator of a motor vehicle who knowingly
25 produces false evidence under this section is guilty of a misde-
26 meanor, punishable by imprisonment for not more than 1 year, or
27 BY a fine of not more than \$500.00, or both.

1 (5) Points shall not be entered on a driver's record
2 pursuant to section 320a for a violation of this section.

3 (6) This section does not apply to the owner or operator of
4 a motor vehicle that is registered in a state other than this
5 state, or a foreign country or province.

6 SEC. 520A. (1) THE SECRETARY OF STATE SHALL CREATE AND
7 MAINTAIN A CENTRAL FILE OF REGISTERED MOTOR VEHICLES INSURED
8 UNDER A MOTOR VEHICLE LIABILITY POLICY MEETING THE REQUIREMENTS
9 OF SECTION 3101 OR 3102 OF THE INSURANCE CODE OF 1956, ACT
10 NO. 218 OF THE PUBLIC ACTS OF 1956, BEING SECTIONS 500.3101 AND
11 500.3102 OF THE MICHIGAN COMPILED LAWS. THE FILE SHALL CONTAIN
12 ALL OF THE FOLLOWING INFORMATION FOR EACH INSURED VEHICLE:

13 (A) THE VEHICLE IDENTIFICATION NUMBER.

14 (B) THE NAME AND ADDRESS OF THE INSURER.

15 (C) THE INSURANCE POLICY NUMBER.

16 (D) THE EFFECTIVE DATE AND THE EXPIRATION DATE OF THE INSUR-
17 ANCE POLICY.

18 (2) THE SECRETARY OF STATE SHALL SEND A NOTICE BY REGISTERED
19 MAIL TO EACH REGISTERED OWNER OF A MOTOR VEHICLE REGISTERED PUR-
20 SUANT TO THIS ACT IF EITHER OF THE FOLLOWING CIRCUMSTANCES
21 EXISTS:

22 (A) THE SECRETARY OF STATE HAS BEEN INFORMED BY THE INSURER
23 THAT THE POLICY OF INSURANCE FOR THE MOTOR VEHICLE HAS BEEN
24 CANCELED, AND THE SECRETARY OF STATE HAS NOT BEEN INFORMED THAT
25 THE MOTOR VEHICLE IS INSURED UNDER ANOTHER POLICY OF INSURANCE.

26 (B) THE EXPIRATION DATE OF THE POLICY OF INSURANCE FOR THE
27 MOTOR VEHICLE HAS PASSED, AND THE SECRETARY OF STATE HAS NOT BEEN

1 INFORMED THAT THE POLICY OF INSURANCE HAS BEEN RENEWED OR THAT
2 THE MOTOR VEHICLE IS INSURED UNDER ANOTHER POLICY OF INSURANCE.

3 (3) A NOTICE ISSUED PURSUANT TO THIS SECTION SHALL BE ON A
4 FORM PRESCRIBED BY THE SECRETARY OF STATE, AND SHALL CONTAIN ALL
5 OF THE FOLLOWING:

6 (A) THE VEHICLE IDENTIFICATION NUMBER.

7 (B) THE VEHICLE REGISTRATION NUMBER.

8 (C) THE NAME AND ADDRESS OF THE INSURER.

9 (D) THE INSURANCE POLICY NUMBER.

10 (E) ONE OF THE FOLLOWING:

11 (i) THE EFFECTIVE DATE AND THE EXPIRATION DATE OF THE INSUR-
12 ANCE POLICY.

13 (ii) THE EFFECTIVE DATE AND THE CANCELLATION DATE OF THE
14 INSURANCE POLICY.

15 (F) ONE OF THE FOLLOWING:

16 (i) A STATEMENT THAT THE EXPIRATION DATE OF THE POLICY OF
17 INSURANCE FOR THE MOTOR VEHICLE HAS PASSED, AND THE SECRETARY OF
18 STATE HAS NOT BEEN INFORMED THAT THE POLICY OF INSURANCE HAS BEEN
19 RENEWED OR THAT THE MOTOR VEHICLE IS INSURED UNDER ANOTHER POLICY
20 OF INSURANCE.

21 (ii) A STATEMENT THAT THE INSURER HAS INFORMED THE SECRETARY
22 OF STATE THAT THE POLICY OF INSURANCE FOR THE MOTOR VEHICLE HAS
23 BEEN CANCELED, AND THE SECRETARY OF STATE HAS NOT BEEN INFORMED
24 THAT THE MOTOR VEHICLE IS INSURED UNDER ANOTHER POLICY OF
25 INSURANCE.

26 (G) A STATEMENT THAT UNLESS AN OWNER OF THE MOTOR VEHICLE
27 PRESENTS PROOF TO THE SECRETARY OF STATE AS REQUIRED BY THE

1 SECRETARY OF STATE THAT THE MOTOR VEHICLE IS INSURED PURSUANT TO
2 SECTION 520 WITHIN 14 DAYS AFTER THE DATE OF THE NOTICE, THE REG-
3 ISTRATION OF THE MOTOR VEHICLE WILL BE CANCELED.

4 (4) THE SECRETARY OF STATE SHALL CANCEL THE REGISTRATION OF
5 A MOTOR VEHICLE UNLESS AN OWNER OF THE MOTOR VEHICLE PROVIDES TO
6 THE SECRETARY OF STATE PROOF OF INSURANCE AS REQUIRED BY
7 SUBSECTIONS (2) AND (3).

8 (5) THE SECRETARY OF STATE SHALL MONITOR THE NUMBER OF REG-
9 ISTERED AND INSURED MOTOR VEHICLES IN THIS STATE. THE SECRETARY
10 OF STATE SHALL NOTIFY THE INSURANCE COMMISSIONER WHEN THE SECRE-
11 TARY OF STATE FIRST DETERMINES THAT 97% OF THE REGISTERED MOTOR
12 VEHICLES IN THIS STATE ARE INSURED. THE NOTIFICATION REQUIRED BY
13 THIS SUBSECTION SHALL BE REQUIRED ONLY THE FIRST TIME THE SECRE-
14 TARY OF STATE DETERMINES THAT 97% OF THE REGISTERED MOTOR VEHI-
15 CLES IN THIS STATE ARE INSURED.

16 Sec. 521. ~~When~~ IF an insurance carrier has certified a
17 ~~motor vehicle~~ MOTOR VEHICLE liability policy under section 518
18 or section 519, the insurance ~~so certified~~ shall not be
19 ~~cancelled~~ CANCELED or terminated ~~until at least 10 days after~~
20 ~~a~~ BY THE INSURED OR BY THE INSURER UNLESS WRITTEN notice of can-
21 cellation or termination ~~of the insurance so certified shall be~~
22 HAS BEEN filed ~~in the office of~~ BY THE INSURER WITH the secre-
23 tary of state AT LEAST 10 DAYS BEFORE THE INSURANCE IS CANCELED
24 OR TERMINATED, except that ~~such~~ a MOTOR VEHICLE LIABILITY
25 policy subsequently procured and certified shall, on the effec-
26 tive date of its certification, terminate the insurance
27 previously certified with respect to any motor vehicle designated

1 in both certificates. THE NOTICE OF CANCELLATION OR TERMINATION
2 SHALL CONTAIN ALL OF THE FOLLOWING INFORMATION FOR EACH INSURED
3 VEHICLE:

4 (A) THE VEHICLE IDENTIFICATION NUMBER.

5 (B) THE NAME AND ADDRESS OF THE INSURER.

6 (C) THE INSURANCE POLICY NUMBER.

7 (D) THE PROPOSED TIME AND DATE OF CANCELLATION OR
8 TERMINATION.

9 Section 2. This amendatory act shall not take effect unless
10 Senate Bill No. ____ or House Bill No. 5315 (request
11 no. 03408'89 *) of the 85th Legislature is enacted into law.