



Senate Fiscal Agency
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BILL ANALYSIS

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Senate Bill 124 (as discharged)
Sponsor: Senator Bruce Patterson
Committee: Judiciary

CONTENT

The bill would amend the definition of "serious impairment of body function" in provisions of the Insurance Code that eliminate tort liability arising out of the ownership, use, or maintenance of a motor vehicle, subject to several exceptions.

Under one of the exceptions, a person remains subject to tort liability for noneconomic loss caused by his or her ownership, use, or maintenance of a motor vehicle if the injured person has suffered death, permanent serious disfigurement, or serious impairment of body function.

The Code defines "serious impairment of body function" as "an objectively manifested impairment of an important body function that affects the person's general ability to lead his or her normal life".

The bill, instead, would define the term as "an objectively manifested injury involving an important body function that, in some way and for some time, affected the injured person's ability to lead his or her normal life".

MCL 500.3135

Legislative Analyst: Suzanne Lowe

FISCAL IMPACT

The bill would have an indeterminate fiscal impact on State and local government. To the extent that the bill would broaden the definition of "serious impairment of body function", there could be an increase in civil suits. In cases in which the State or local unit would be a defendant, there could be an increase in damages paid, but that amount is difficult to predict and would vary on a case-by-case basis. In FY 2006-07, the State paid a total of \$2,506,962 for automotive liability claims not exceeding \$1.0 million.

Date Completed: 6-23-08

Fiscal Analyst: Stephanie Yu