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BILL ANALYSIS

Senate Fiscal Agency

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Senate Bill 28 (as reported with amendment)

Sponsor: Senator John D. Cherry, Jr.

Committee: Commerce and Technology

Date Completed: 4-2-87

RATIONALE

For several years, the American Association of Retired Persons (AARP) has been conducting a driving course for older drivers that is designed to prevent accidents by informing the enrollees of the effects of aging on driving behavior. The course, which is geared specifically toward older drivers, also reviews such topics as the shapes, colors, and types of road signs; major driving hazards; accident prevention measures; and proper interaction with other highway users. Although the organization has no statistical proof, the AARP believes that participation in these courses contributes to the prevention of accidents by improving driving behavior. Many people believe that the AARP course should be used as a model for accident prevention education courses for drivers of all ages, and that participation in such a course should be permitted as a basis for setting insurance rate classifications.

participation results in actual accident prevention. The bill would promote safe driving behavior and would enable course participants to save money on their insurance rates.

Response: There is no proof that participation in accident prevention courses results in safer driving behavior. Further, the bill would not mandate consideration of participation in such courses in setting insurance rates and would not limit consideration to decreasing the premiums of participants. Indeed, the bill could allow insurers to raise the premiums of those who had not participated in accident prevention courses, while holding participants' rates steady or increasing them by a smaller amount.

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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.

S.B. 28 (4-2-87)

CONTENT

Senate Bill 28 would amend the Insurance Code to include successful completion of an "accident prevention education course" among the criteria on which automobile insurers are permitted to base classifications for coverages other than comprehensive. The course would have to include a minimum of eight hours of classroom instruction as well as a review of all of the following:

- The effects of aging, alcohol, and medication on driving behavior.
- The shapes, colors, and types of road signs.
- Laws relating to the proper use of a motor vehicle
- Major driving hazards, accident prevention measures, and the benefits of safety belts and child restraints.
- Interaction with other highway users such as motorcyclists, bicyclists, and pedestrians.

("Classifications" are groupings of risks "for the establishment of rates and minimum premiums . . . [and] may measure differences in losses, expenses, or both".)

MCL 500.2111

FISCAL IMPACT

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

ARGUMENTS**Supporting Argument**

By permitting participation in an accident prevention education course to be a criterion for establishing rate classifications, the bill would encourage greater participation in such courses. Other states that have similar provisions in statute have a higher participation rate in accident prevention courses, and the AARP contends that