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BILL ANALYSIS

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House Bill 4049 (as reported without amendment)

Sponsor: Representative Alvin Hoekman

House Committee: Insurance

Senate Committee: Commerce and Technology

Date Completed: 11-16-87

RATIONALE

Owners and registrants of motor vehicles who do not carry the mandatory no-fault insurance coverage are guilty of a misdemeanor punishable by a \$200-\$500 fine, one year's imprisonment, or both. The penalties do not apply to motorcyclists, however, because motorcycles are not included in the definition of "motor vehicle" under the sections of the Insurance Code that apply to no-fault and related coverage. Motorcycles were included under that definition until 1981, when a new Act altering the treatment of motorcyclists under the no-fault system and containing a separate definition of "motorcycle" took effect, but that Act did not amend the penalty section to take into account the changed definition. Although motorcyclists are not required to carry the package of no-fault coverage required of car and truck operators, they are required to have third-party liability insurance to cover physical injuries or property damage done to others. Some feel that motorcyclists who fail to carry mandatory insurance should be subject to the same penalties as other vehicle operators and owners.

CONTENT

House Bill 4049 would amend the Insurance Code to subject motorcyclists who failed to carry required insurance coverage to the same penalties that currently apply to owners, registrants, and operators of uninsured "motor vehicles". Under the Code, a person who operates a motor vehicle with the knowledge that the vehicle is uninsured is guilty of a misdemeanor, punishable by a fine of \$200 to \$500, imprisonment for one year, or both.

MCL 500.3102

FISCAL IMPACT

This bill would have an indeterminate fiscal impact on State or local government. The number of motorcyclists who would violate the requirements of this bill and be prosecuted is indeterminate at this time.

ARGUMENTS**Supporting Argument**

The bill would subject motorcyclists who failed to maintain the required insurance to the same penalties as owners and operators of other uninsured vehicles. Without penalties, it is difficult to enforce the motorcycle insurance requirement.

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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.

H.B. 4049 (11-16-87)