



Senate Fiscal Agency
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BILL



ANALYSIS

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House Bill 4341 (Substitute S-1 as reported)
Sponsor: Representative Harold S. Voorhees
House Committee: Insurance
Senate Committee: Financial Services

CONTENT

The bill would amend the no-fault automobile insurance provisions of the Insurance Code to provide that certain issues regarding personal injury in tort liability actions would be questions of law for the court; require that damages in tort liability cases be assessed on the basis of comparative fault; prohibit damages from being assessed in favor of a party who was more than 50% at fault or who operated his or her vehicle without the required insurance coverage; increase from \$400 to \$500 the maximum level of vehicle damages for which tort liability is available to the extent those damages are not covered by insurance; and define "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".

Under the Code, a person remains subject to tort liability for noneconomic loss if the injured person has suffered death, serious impairment of body function, or permanent serious disfigurement. Under the bill, the issues of whether an injured person had suffered serious impairment of a body function or permanent serious disfigurement would be questions of law for the court (rather than a jury) to decide, if the court found that either there was no factual dispute concerning the nature and extent of the injuries, or there was a factual dispute concerning the nature and extent of the injuries, but the dispute was not material to the determination of whether the person had suffered a serious impairment of a body function or permanent serious disfigurement. For a closed-head injury, however, a question of fact would be created for the jury if the court found by a preponderance of the evidence provided under oath by a licensed physician specializing in closed-head injuries, that a serious neurological injury could exist.

MCL 500.3135

Legislative Analyst: S. Margules

FISCAL IMPACT

The bill would have an indeterminate impact on the State and local units of government. The total cost to the State of automobile no fault losses (amount paid and reserves) was \$3.2 million for FY 1992-93 and \$3.1 million in FY 1993-94. To the extent that this bill would limit exposure, there are potential savings.

The bill would have no fiscal impact on the courts.

Date Completed: 10-5-95

Fiscal Analyst: B. Bowerman