

# Legislative Analysis

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## **NO-FAULT AUTO INSURANCE: MEDICAL MARIHUANA NEED NOT BE COVERED**

Mary Ann Cleary, Director  
Phone: (517) 373-8080  
<http://www.house.mi.gov/hfa>

**Senate Bill 321 (Substitute S-1)**

**Sponsor: Sen. Rick Jones**

**House Committee: Judiciary**

**Senate Committee: Judiciary**

**Complete to 11-28-12**

### **A SUMMARY OF SENATE BILL 321 AS PASSED BY THE SENATE 5-8-12**

Senate Bill 321 would amend the Insurance Code (MCL 500.3107) to specify that an automobile insurance company would not be required to provide coverage under personal protection insurance (PIP) benefits for the medical use of marihuana or for expenses related to that use.

Under the no-fault automobile insurance law, PIP insurance benefits are payable for allowable expenses related to an injured person's care, recovery, and rehabilitation; lost wages during the first three years after the accident per statutory limitations; and replacement services capped at \$20 per day for such things as cooking and cleaning for the first three years after the accident.

The bill would also make a technical change regarding the cap on benefits payable for work loss. Instead of listing the maximum amount allowed beginning in 1973, when the no-fault law took effect, the bill would reference the maximum amount allowed for the period beginning Oct. 1, 2010 to Sept. 30, 2011 and would specify that this amount would be adjusted annually to reflect cost of living changes beginning October 1, 2011 instead of 1974.

("Allowable expenses" covered under PIP benefits include reasonable charges for reasonably necessary products, services, and accommodations for the injured person's care, recovery, or rehabilitation but do not include hospital charges for other than a semiprivate room, with some exceptions, or funeral and burial expenses in excess of the policy amount but not less than \$1,750 or more than \$5,000.)

### **FISCAL IMPACT:**

Senate Bill 321 would have no significant fiscal impact on state and local governments.

Legislative Analyst: Susan Stutzky  
Fiscal Analyst: Paul Holland

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