

Bulletin No. 2004-03-INS

Issued and entered this 24th day of June 2004

By Linda A. Watters, Commissioner

It has come to the attention of the Michigan Office of Financial and Insurance Services (OFIS) that no-fault insurers may be unlawfully refusing to insure or otherwise penalizing individuals, including members of the armed forces who are currently in service or have been in service outside of the United States, for a lapse in auto insurance coverage.

MCL 500.3101 requires that insurance be maintained on any vehicle that is owned and operated upon a highway. MCL 500.2118(2)(d), allows insurers to refuse to insure a person based on failure to provide proof that insurance required by Section 3101 was maintained in force for any vehicle that was owned by the person and driven or moved by the person or by a member of the household of the person during the 6-month period immediately preceding application. Insurers are reminded that MCL 500.2118(2)(d) also requires insurers to give applicants a form on which they can certify that the vehicle was not driven or moved without the insurance required by Section 3101 during the 6-month period immediately preceding application. Therefore, if the applicant certifies that the vehicle was not driven or moved without the required insurance during the 6-month period immediately preceding application, the insurer cannot refuse to insure the applicant for lack of prior insurance.

Any questions regarding this bulletin should be directed to:

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