

Senate Fiscal Agency
P. O. Box 30036
Lansing, Michigan 48909-7536

SFA**BILL ANALYSIS**

Telephone: (517) 373-5383
Fax: (517) 373-1986
TDD: (517) 373-0543

House Bill 5454 (as reported without amendment)
Sponsor: Representative Michael Bishop
House Committee: Civil Law and the Judiciary
Senate Committee: Judiciary

CONTENT

The bill would amend the governmental immunity Act to include volunteers in provisions that allow a governmental agency to do all of the following if a claim is made or a civil action commenced against an agency officer or employee:

- Pay for legal advice and representation.
- Settle claims and provide indemnification.
- Purchase liability insurance.

The Act provides that, whenever a claim is made or a civil action commenced against an officer or employee of a governmental agency for injuries to people or property caused by the officer's or employee's negligence while in the course of employment and while acting within the scope of his or her authority, the agency may pay for, engage, or furnish the services of an attorney to advise, appear for, and represent the officer or employee. The bill would include in that provision a governmental agency's volunteer, and would refer to negligence while in the course of "employment with or actions on behalf of" the agency.

Under the Act, whenever a judgment for damages is awarded against a governmental agency's officer or employee as a result of a civil action for personal injuries or property damage caused by the officer or employee while in the course of employment and while acting within the scope of his or her authority, the agency may indemnify the officer or employee or pay, settle, or compromise the judgment. The bill would include in that provision a governmental agency's volunteer.

The Act authorizes a governmental agency to purchase liability insurance to indemnify and protect the agency against loss or to protect the agency and some or all of its agents, officers, and employees against loss on account of any judgment secured against it, or them, arising out of any claim for personal injury or property damage caused by the agency, its officers, or its employees. Under the bill, an agency could purchase liability insurance to indemnify the agency, and an agent, officer, employee, or volunteer against loss on account of an adverse judgment arising from a personal injury or property damage claim against the agency, or an agent, officer, employee, or volunteer.

MCL 691.1408 & 691.1409

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have an indeterminate impact on the State and local units of government, depending on future liability and the extent to which governmental agencies purchased liability insurance for volunteers.

Date Completed: 5-15-02

Fiscal Analyst: B. Bowerman