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TO: The Honorable Detroit City Council

FROM: David Whitaker, Director
Legislative Policy Division Staff 

DATE: November 10, 2025

RE: **RESOLUTION IN SUPPORT OF SB 329 BANNING INCREASED RATES OR RE-
INSTANTEMENT FEES DUE TO LAPSE OF INSURANCE COVERAGE**

City Council Member Angela Whitfield-Calloway has requested the Legislative Policy Division (LPD) to produce a resolution in support of SB 329 currently pending in the Michigan Legislature.

SB 329 would ban increased rates or re-instatement fees because of a lapse in insurance coverage. SB 329 would eliminate one more barrier to residents obtaining automobile insurance as required by law.

On October 28, 2025, SB 329 was reported from committee and is awaiting action in the Michigan Senate. The bill is sponsored by Sen. Jeff Irwin, District 15, and co-sponsored by Sen. Mallory McMorrow, District 8, Sen. Stephanie Chang, District 3, Sen. Mary Cavanagh, District 5, and others.

**RESOLUTION IN SUPPORT OF SB 329 BANNING INCREASED RATES OR RE-
INSTANTEMENT FEES DUE TO LAPSE OF INSURANCE COVERAGE**

WHEREAS, access to affordable and fair automobile insurance is a basic necessity for Detroit residents and all Michigan drivers, as state law requires all motorists to maintain valid insurance coverage; and

WHEREAS, Michigan Senate Bill 329 (SB 329), currently pending in the Michigan Legislature, would prohibit insurance companies from increasing rates or imposing reinstatement fees solely due to a lapse in coverage; and

WHEREAS, many Detroit residents face financial hardships that can cause temporary lapses in insurance coverage, and reinstatement penalties or rate hikes further exacerbate economic inequities, making it even more difficult for residents to regain compliance with state law; and

WHEREAS, eliminating penalties and rate increases for lapses in coverage would remove one more barrier to residents obtaining or maintaining the legally required automobile insurance, thereby promoting greater compliance, equity, and public safety; and

WHEREAS, Governor Gretchen Whitmer has demonstrated principled leadership and an unwavering dedication to public service by supporting and enacting these important reforms; and

WHEREAS, the City of Detroit has long advocated for fair insurance practices that protect consumers and support economic mobility for working families.

NOW, THEREFORE, BE IT RESOLVED, that the Detroit City Council expresses its strong support for Michigan Senate Bill 329 and urges the Michigan Legislature to enact this important consumer protection measure; and

BE IT FURTHER RESOLVED, that copies of this resolution shall be transmitted to Governor Gretchen Whitmer, the members of the Michigan Senate and House of Representatives, and the Michigan Department of Insurance and Financial Services to affirm the City of Detroit's position in support of SB 329.