

## **ACTION ALERT!**

### **Proposed Caps on Auto No-Fault PIP Coverage**

#### **House Bill 4702 Summary**

On May 2, 2007 Representative Joe Hune introduced a bill that was referred to the state of Michigan's House Insurance Committee. The bill would allow the insured (driver) to select their own level of Personal Injury Protection. The choices under this bill would be \$250,000, \$500,000, \$750,000, \$1,000,000 and unlimited. If an insured failed to select in writing a coverage level, they would be covered at \$250,000. If an individual is not identified in a policy, but is ultimately to be covered by the policy, the coverage level would be \$250,000. (Currently, all covered Michigan residents have unlimited coverage.) This legislation may be heard by the House Insurance Committee as early as next week.

#### **Commentary**

The people of Michigan decided this issue back in 1992 and 1994 via Ballot Proposals D and C, respectively, acknowledging that the powerful personal protection insurance benefits (PIP) of Michigan's No-Fault should remain "life-long benefits" to best care for those catastrophically injured.

The last time we voted on this issue, the Michigan Catastrophic Claims Association (MCCA) pure premium for insuring us to infinity was \$98.71 per year (1994). This past year, the pure premium was \$113.48 (7/2006 – 6/2007). The pure premium effective July of 2007 is expected to go down \$106.63. The point is that in the grand scheme of things, the costs are not much different today than they were in 1994 when we voted down the notion of caps on PIP.

For the clients and families we serve, selecting to save a few dollars of insurance premium, would have been a disastrous decision – \$1,000,000 is quickly spent in caring for those severely injured. For the citizens of Michigan, adoption of a No-Fault system that allows for lower levels of PIP coverage would result in a massive cost shift from manageable private insurance premiums to increased tax via an under-funded Medicaid system.

Many Michigan citizens are concerned about the amount they pay for their automobile insurance. We need to remain competitive in order to maintain the best system in the country. However, the excessive costs of our insurance do not lie in the PIP benefits, rather the excessive premiums are in the Comprehensive and Collision coverage.

#### **Call to Action**

Industry Professionals, Families, Survivors, Friends - Michigan's auto no-fault system and its life-long benefits need to be preserved. We encourage you to contact your Representative and Senator in Lansing, as well as the House Insurance Committee Members in the list below, and tell them you are against HB 4702. The resulting limits in coverage would be inadequate to cover the care needs of our catastrophically injured citizens. You can contact your legislator at [www.michiganvotes.org](http://www.michiganvotes.org) and select "Find your legislator." Once you have identified your legislator, select "Contact your legislator."



**1.800.968.6644**  
[www.rainbowrehab.com](http://www.rainbowrehab.com)  
[admissions@rainbowrehab.com](mailto:admissions@rainbowrehab.com)

**Ypsilanti Treatment Center**  
PO Box 970230, 5570 Whittaker  
Ypsilanti, MI

**Oakland Treatment Center**  
32715 Grand River Avenue  
Farmington, MI

**NeuroRehab Campus**  
25911 Middlebelt Road  
Farmington Hills, MI

**House Insurance Committee**

Virgil Smith (D), Committee Chair  
Detroit  
(517) 373-0589  
virgilsmith@house.mi.gov

Mike Simpson (D)  
Liberty Township (Jackson area)  
(517) 373-1775  
mikesimpson@house.mi.gov

Tory Rocca (R)  
Sterling Heights  
517/373-7768  
toryrocca@house.mi.gov

Barabra Farrah (D), Majority Vice Chair  
Southgate  
(517) 373-0845  
barbarafarrah@house.mi.gov

Lisa Wojno (D)  
Warren  
(517) 373-2275  
lisawojno@house.mi.gov

Paul Condin (D)  
Southfield  
(517) 373-1788  
paulcondino@house.mi.gov

Joe Hune (R), Minority Vice-Chair  
Hamburg  
517/373-8835  
joehune@house.mi.gov

Bob Constan (D)  
Dearborn Heights  
(517) 373-0849  
bobconstan@house.mi.gov

David Robertson (R)  
Grand Blanc  
517/373-1780  
davidrobertson@house.mi.gov

Bert Johson (D)  
Detroit  
(517) 373-0144  
bertjohnson@house.mi.gov

Judy Emmons (R)  
Sheridan  
517/373-0834  
judyemmons@house.mi.gov

LaMar Lemmons Jr. (D)  
Detroit  
(517) 373-0106  
lamarlemmonsjr@house.mi.gov

Dave Hildenbrand (R)  
Lowell  
517/373-0846  
rephildenbrand@house.mi.gov

Gino Polidori (D)  
Dearborn  
(517) 373-0847  
ginopolidori@house.mi.gov

David Law (R)  
Commerce Township  
517/373-1799  
davidlaw@house.mi.gov

Bettie Cook Scott (D)  
Detroit  
(517) 373-1776  
bettiecookscott@house.mi.gov

Tim Moore (R)  
Farwell  
517/373-8962  
timmoore@house.mi.gov