

Auto No-Fault Talking Points – Call Your Legislators TODAY!

At 2am on Thursday, May 9, without any public hearings or debates, the Michigan House of Representatives passed HB 4397, no-fault “reform” legislation that strips consumers of critically important rights and benefits currently available under existing law. Because we believe the bill creates many more problems than it solves, the MAC and our partners at the Coalition Protecting Auto No-Fault (CPAN) strongly oppose HB 4397 (and similar legislation passed by the Michigan Senate, Senate Bill 1).

Contact your state senator and state representative TODAY and ask him or her to oppose HB 4397 (and Senate Bill 1). Below are some talking points you can use to create your message.

- **I am writing you today to ask you to oppose House Bill 4397.** Drivers in Michigan need fair and reasonable legislation that provides strong consumer protections and offers immediate rate relief. House Bill 4397 falls short in these critical areas.
- **Under HB 4397, there is no guarantee that the total cost of auto insurance will go down for Michigan consumers.** HB 4397 only provides a 5-year guarantee that the no-fault portion of consumers’ insurance premiums will decrease, and other portions of your total costs, such as liability coverage, could increase, wiping out any gains from the reduction in PIP rates.
- **Michigan taxpayers will be on the hook for medical costs for thousands of people injured in future catastrophic auto accidents.** The bill would allow the 2.5 million Michiganders on Medicaid to completely opt out of PIP coverage, meaning that the State’s Medicaid system would be required to pay the full costs of auto-related medical care for these people. This shifts an unprecedented financial burden onto Michigan taxpayers.
- **Capped no-fault policies will not cover the needs of seriously injured people, further burdening Michigan taxpayers.** Limited benefit caps fall far short of what is needed to properly care for people severely injured in auto accidents. Those whose needs exceed their cap will exhaust their personal resources and likely end up on Medicaid, causing further financial burdens for Michigan taxpayers.
- **Financial ruin awaits those with health insurance that excludes auto-related medical care.** Thousands of Michigan families have health insurance policies that do not cover medical care for auto-related injuries. If severely injured in a car crash, and their medical costs exceed the coverage under their capped no-fault policy, they will have no coverage under their health insurance for their additional care needs. These people will be either deprived the care they need or face medical bankruptcy.
- **Seriously injured people insured under capped no-fault policies will not have any no-fault insurance coverage for their income loss.** Under Michigan’s current no-fault law, consumers can claim benefits to cover their income loss due to their injuries. Under HB 4397, however, the benefit caps apply not only to medical expenses, but to all PIP benefits, including benefits for an injured person’s loss of income. Therefore, there will be no income loss coverage for people who become disabled in an auto crash and incur medical expenses that exceed their selected PIP benefit cap. This is another financial burden HB 4397 will impose on Michigan consumers.
- **There is no strong consumer protection against discriminatory insurance pricing practices such as redlining and the use of non-driving, socioeconomic factors (credit score, education level, etc.) in setting rates.** HB 4397 only prohibits the use of gender and marital status. It will remain lawful for insurance companies to use other factors to justify charging people substantially higher rates based more on their socioeconomic status than on how well they drive.
- **For these reasons, I once again ask you to oppose House Bill 4397.** It is critical that lawmakers work together to find a solution that lowers auto insurance premiums without depriving auto accident victims of the essential care they need.

CALL YOUR LAWMAKERS TODAY!

The most effective way to contact your local state senator and representative is a phone call. Emails are also an effective tool in making your priorities known to your legislators. To find contact information for your state senator, go to <https://senate.michigan.gov/fysbyaddress.html>. To find contact information for your state representative, go to <http://house.michigan.gov/MHRPublic/frmFindaRep.aspx>.