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## **IAM applauds Michigan Senate for jumpstarting discussion on lowering cost of auto insurance**

*Michigan Senate Insurance and Banking Committee to hold first hearing on auto no-fault reform Wednesday*

LANSING – The **Insurance Alliance of Michigan** (IAM) today applauded the Michigan Senate Insurance and Banking Committee for jumpstarting the discussion on how to lower the cost of auto insurance for drivers across the state. The committee will hold a hearing on auto no-fault reform Wednesday, Jan. 30.

“Lawmakers in the Michigan Senate and House made it clear earlier this month that reforming Michigan’s broken, outdated auto no-fault system was a top priority, and we’re glad to see them back up those words with action,” said **Tricia Kinley**, executive director of the Insurance Alliance of Michigan. “We hope the Senate committee hearing will be the start of an earnest discussion about the challenges of Michigan drivers, many of whom can no longer afford the state’s highest-in-the-nation auto insurance premiums.”

Wednesday’s hearing will focus on a 2013 report by the **Citizens Research Council of Michigan** (CRC) on the medical costs associated with Michigan’s auto no-fault system. The CRC, a non-partisan research organization, has spent the last century studying some of Michigan’s most difficult public policy issues. The [report](#) found the following:

- The Michigan Catastrophic Claims Association has no way to monitor or stop fraud and abuse within Michigan’s auto no-fault system.
- Michigan’s auto no-fault system has no cost-containment measures, allowing medical providers to dramatically overcharge for procedures.
- Allowing drivers to choose their own level of coverage has reduced costs in other states.

Michigan is the only state in the nation that requires drivers to purchase unlimited, lifetime medical benefits with their auto insurance policy. This expensive mandate is one of the biggest drivers behind Michigan’s skyrocketing auto insurance premiums. Insure.com recently ranked Michigan No. 1 for the most expensive car insurance in the nation. It’s the fifth straight year has received this undesirable honor.

“The Citizens Research Council of Michigan is a highly respected, non-partisan, independent research organization, and we look forward to their testimony on Wednesday on the problems

plaguing Michigan's broken, outdated auto no-fault system," Kinley said. "The report's findings reinforce what we have been saying for years: To reduce the cost of auto insurance in Michigan the Legislature must pass reforms to crack down on fraud and abuse, stop medical provider overcharging and give drivers a choice in their level of medical coverage."

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*IAM is a government affairs and public information association that represents auto, home and business insurance companies and related organizations operating in Michigan. Learn more about IAM and its members on [Facebook](#), [Twitter](#) or at [www.insurancealliancemichigan.org](http://www.insurancealliancemichigan.org).*