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IAM urges governor to push auto no-fault reform in final State of the State address

Gov. Snyder, lawmakers should stand up to special interests and bring consumers real relief

LANSING – The **Insurance Alliance of Michigan** (IAM) today urged **Gov. Rick Snyder** to use his final State of the State address on Tuesday, Jan. 23 to address a problem for every driver in the state: the rising cost of auto insurance premiums.

“Gov. Snyder and the Legislature shouldn’t give up on passing real reforms to Michigan’s broken, outdated auto no-fault system, and should work to find a real solution to save drivers paying some of the highest auto insurance premiums in the country,” said **Pete Kuhnmuench**, executive director of IAM. “The entire state will be watching as Gov. Snyder delivers his final State of the State, and what better time to double-down on a commitment to putting money back into the pockets of hardworking families across the state.”

Michigan is currently the only state in the nation that requires drivers to purchase unlimited, lifetime medical benefits with their auto insurance policy, which is a main driver of the high cost of auto insurance. The current law also allows medical providers to charge auto insurers three and four times more than other insurance providers for the same procedure, making no-fault a cash cow for big hospitals.

“Gov. Snyder’s final State of the State is the perfect opportunity to shine a spotlight on Michigan’s broken, outdated auto no-fault system and urge lawmakers to pass meaningful reforms that will provide real rate relief to drivers,” Kuhnmuench said.

Special interests that profit from the no-fault auto insurance system blocked legislation in November that would have delivered savings of more than \$1 billion a year to Michigan drivers. The legislation included real reforms, such as cracking down on fraud and abuse, reining in hospital overcharging and giving consumers a choice in their level of medical coverage. Seniors could have saved as much as \$1,000 under the measure.

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IAM is a government affairs and public information association that represents the majority of auto, home and business insurance companies and related organizations operating in Michigan.