

October 8, 2011

The Honorable Pete Lund  
Chairman House Insurance Committee  
Subject: HB 4936

Dear Representative Lund,

Like most Michigan residents, my knowledge of our no fault law is very limited; only that, due to the large numbers of uninsured and under-insured drivers 38 years ago, the law was enacted to protect Michigan residents. I was unaware of these hearings until my sister asked me to attend with her. Her fiancé was catastrophically injured over 30 years ago and still suffers from that injury. I will not go into the details of his injury, or ongoing care needs, but it is important to note, if this bill is passed as written, how the costs of his continuing care would be covered is unclear.

I listened to Dr. Tennyson's presentation last Tuesday with interest, hoping to get a better understanding of the current law and the proposed changes. As I now understand it, current law requires all Michigan drivers pay a "no-fault" premium for unlimited coverage for catastrophic injuries. These premiums go into a fund that is administered by the insurance companies (MCCA) and there is no cost to Michigan taxpayers. The proposed changes would cap coverage and drivers would have the "option" to choose, and pay for, various amounts of coverage. Interestingly, these changes are billed as "miscellaneous". This is either a gross understatement or, is intentionally misleading.

According to Dr. Tennyson's data, coverage costs for just those currently injured will increase into the billions of dollars by 2020. We are all aware that data can be manipulated and I am not convinced her numbers are correct. But, giving her data the benefit of the doubt, if this bill is passed these costs will not just disappear; they will be borne by the State & Federal Governments under the already overburdened Medicare/Medicaid programs.

Dr. Tennyson's data detailed the estimated costs for unlimited no-fault coverage but did not detail costs if the law is changed. Nor did her data show the amount of funds currently held by MCCA or the amount of funds estimated to be held by it in 2020. Her data referenced a "possible" reduction if the no-fault premium is eliminated, but did not show "probable" premium increases for new coverage that would be required. It became clear the data was developed to show only information that would support the elimination of our no-fault system.

At this point, I believe the total impact of the proposed changes is unknown and it would be foolhardy, to say the least, to approve these changes as written. I ask all House Representatives to consider the following:

- Who will benefit from the proposed changes? The insurance companies.
- Who will pay for these changes? All residents of the State of Michigan.
- Who will be most negatively impacted by these changes? The injured.
- Who is driving these changes and why now? Unknown.
- Who would vote to approve these changes? No responsible representative.

Over the last week, I have seen a number of billboards, heard radio commercials and even had a "robo" call urging support for the elimination of no-fault. It makes me wonder just how much money is behind this bill and who will get it? I do not believe it will be the residents of Michigan.

Sincerely,



Anita M. Riopelle  
Troy, Michigan