



MICHIGAN'S AUTO INSURANCE LAW IS **NOT WORKING**

How the 2019 auto insurance reforms have failed crash survivors, care providers and policyholders



**ACCORDING TO THE
OFFICE OF HIGHWAY
SAFETY PLANNING, IN 2022
THERE WERE 51,066 INJURY
CRASHES IN MICHIGAN.
A PERSON WAS INJURED
EVERY 7 MINUTES AND
23 SECONDS.**

The law is not working for crash survivors

Michigan's 2019 auto insurance reforms have had devastating effects on crash survivors, their families, and healthcare providers. Injured patients across the state, many of whom are catastrophically injured and require 24/7 assistance, are continuing to lose vital care. Future crash survivors will be negatively impacted as well.

With no care providers available, families are losing their homes, their cars and being forced into bankruptcy. They are exhausted physically, emotionally, and financially.



Stevie's story

"In 2006 I was paralyzed in an auto accident ... The law change has been massively destabilizing and has impacted every aspect of my life. I am drowning in debt from paying out of pocket for the critical medical care and supplies that were once covered by the no-fault law. These are tools that I need to be able to survive and function in my daily life. I have had to sell my home to avoid bankruptcy and as a result suffered multiple injuries due to inaccessible living circumstances. I fear for my long-term health."



Clarence's story

"I've lost peace of mind. When you're in my shoes and depend on others for everything, this whole process has been frustrating and dangerous. The new law destroyed my plan of care. My staff, therapies, and medical supplies were altered or stopped due to the reform. It makes me feel vulnerable and unsafe. I've also lost faith in our government; this should have never happened."



Brittney's story

"In 2021, when the new law started, the agency my mom used to help take care of me stopped coming to help her ... therapists couldn't continue due to delayed and reduced payments, and the company that we got my monthly supplies from wouldn't let us order ... The new law has made my family's life harder than it already was."

The law is not working for care providers

Michigan's post-acute care rehabilitation industry—once the best in the country—has been decimated by the new auto insurance law. The fee schedule that was imposed as part of the 2019 reforms has cut reimbursements by nearly 50% to rehabilitation facilities, home care agencies and family providers. These reimbursement cuts have left thousands without the care they need to live. No business or organization could withstand such an arbitrary and drastic cut.

The 2019 auto law reforms also placed limits on in-home paid attendant care provided by family and friends at 56 hours per week—even when 24/7 care is prescribed as medically necessary.

The law is not working for policyholders

For years, Michigan's no-fault system offered unparalleled health care for accident victims. Now, most motorists will be woefully underinsured and won't be able to afford needed rehabilitation or therapy. Plus, all drivers now have an increased liability risk if they are at fault, an exposure that was unlikely prior to the changes in law.

Meanwhile, claims from the auto insurance industry that rates have declined are greatly exaggerated. Rates for many drivers have actually gone up, with insurers socking consumers with **\$1.04 billion in rate increases since September 2022 alone**. Michigan remains one of the most expensive states to purchase auto insurance, especially in communities like Detroit, where insurance companies use credit scores and where a person lives to unfairly discriminate against drivers.

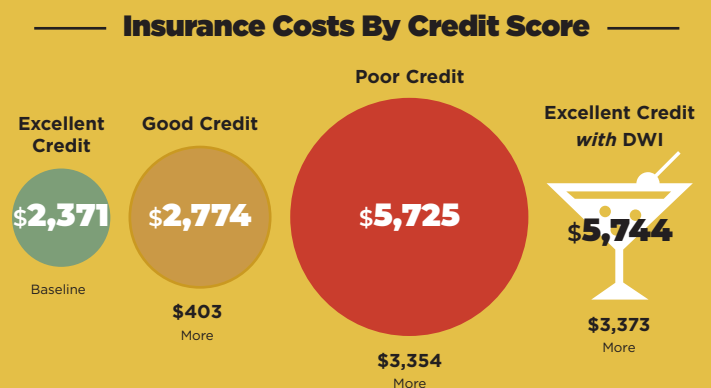
Auto insurance companies have raked in record profits since the law went into effect, which they

ACCORDING TO AN INDEPENDENT STUDY CONDUCTED BY THE PUBLIC HEALTH INSTITUTE MPHI, BY APRIL 2022 MORE THAN 7,000 PATIENTS HAVE BEEN DISCHARGED, 4,000 HEALTH CARE JOBS WERE LOST, AND 24 CARE BUSINESSES HAD CLOSED THEIR DOORS BECAUSE OF THE NEW AUTO INSURANCE LAW. THOSE NUMBERS HAVE ONLY INCREASED SINCE THEN.

have passed on to their executives and shareholders. No wonder the big auto insurance lobby is fighting tooth-and-nail against any changes to the law.

FROM 2019 TO 2021, AUTO INSURANCE CEOS SAW THEIR SALARIES BALLOON:

- Michael Tipsord, Chairman, President and CEO of State Farm: From \$10.3 million to \$24.5 million
- Thomas Wilson, Chairman, President and CEO of Allstate: From \$16.3 million to \$18.4 million
- Jeffrey S. Tagsold, Chairman and CEO of Auto-Owners: From \$2.4 million to \$5.7 million



WE NEED TO END THIS CARE CRISIS

Lawmakers need to address the arbitrary, drastic reimbursement cuts to care providers and limits on necessary non-agency care for survivors now!

The data is clear: Michigan's 2019 auto insurance reform is not working. Organizations fighting to end the crisis in care and affordability include crash survivors and their families, health care providers, hospitals, and more than a dozen national and state-level advocacy organizations. At least 47 county commissions across Michigan, representing two-thirds of the state's population, agree and have passed resolutions calling for action.

**THE 47 MICHIGAN COUNTIES THAT HAVE PASSED RESOLUTIONS
CALLING FOR A FIX TO MICHIGAN'S AUTO INSURANCE LAW
REPRESENT 78.2 PERCENT OF MICHIGAN'S POPULATION.**

OTHER SUPPORTING ORGANIZATIONS



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