

Medical Coverage Is Not Causing High Auto Insurance Premiums In Michigan

\$942
Troy, MI

2012 Jeep
Grand Cherokee

\$500 Collision Deductible

\$250 Comprehensive Deductible

\$500k Bodily Injury Coverage

\$500k Property Damage Coverage

\$500k Uninsured Motorist Coverage

\$500k Underinsured Motorist Coverage

OEM Parts Coverage

\$3k Ultimate Rental Coverage

Additional Towing & Labor Coverage

Full Glass Coverage

Roadside Assistance

Michigan No-Fault Auto Insurance

High Traffic Driving Areas

Lifetime Medical Benefits

Michigan Castastrophic Claims
Association Assessment (Fee)

Choice of Medical Providers

Transportation; Hospital; DME
In/Outpatient Rehab; Physical,
Speech, & Occupational Therapy;
Attendant Care, and More.

\$1000 Collision Deductible

\$1000 Comprehensive Deductible

\$40k Bodily Injury Coverage

\$10k Property Damage Coverage

\$0 Uninsured Motorist Coverage

\$0 Underinsured Motorist Coverage

\$4,952
Detroit, MI

2005 Chevy
Malibu

*Sources: Troy data is author's own (2017).
Detroit data is from 2015 D-Insurance Feasibility Study.*

According to the NAIC, the national average combined premium is \$982

Insurance companies often suggest purchasing plans with lower coverage limits and higher deductibles to reduce premiums. The Detroit driver has done this, has passed on additional coverage options, and is still being charged 5 times as much. Both drivers have the same medical coverage under no-fault. Detroit has higher collision costs and more frequent thefts, so there is some cause for a more expensive policy, but for both policies the insurer is required by law to cover "allowable expenses" which consist of "all reasonable charges incurred for reasonably necessary products, services and accommodations for an injured person's care, recovery or rehabilitation." MCL 3107(1)(a)

Michigan Drivers Deserve Strong Consumer Protections

There are 31 practices specifically prohibited by the Michigan Consumer Protection Act, one of which reads "Charging the consumer a price grossly in excess of the price at which similar property or services are sold." However, insurance companies in Michigan don't have to comply with this act due to a series of court decisions that essentially rendered all regulated business exempt.

A 50-State Report on Unfair and Deceptive Acts and Practices Statutes named Michigan one of the "Terrible Two: states whose UDAP statutes cover virtually nothing."