Dear Senator,

Let us recall a time when politicians worked across the aisle to create compromises for the benefit of the people. In 1972, the Michigan legislators passed a law that upheld both conservative and liberal ideologies. It was a win for the people, and it was a win for businesses. The program was set up to be funded by the people, for the people. It didn’t require money from the state or federal budgets. It also provided the most comprehensive medical coverage in the nation. It was truly a piece of brilliant legislation, and it has served Michigan citizens for 40 years.

The piece of legislation I speak of is the Michigan Auto No-Fault Law.

You see, prior to the legislation, Michigan was a tort state. Insurance companies were spending 41 cents of every dollar of revenue on litigation. Catastrophic accident victims couldn’t afford the care and rehabilitation services they required. Many required government programs to receive less than ideal care, and when those funds dried up they were forced into bankruptcy. This unfortunately still occurs in every other state. Out of need for reform, the legislators passed a law establishing Michigan as a no-fault state.

According to the Michigan.gov, “*The Michigan no-fault system was adopted in 1973 to increase the level of benefits paid to injured persons, make sure such payments are made promptly, and reduce the proportion of premium dollars paid out for legal and administrative costs.*”

For 40 years, the law has required insurance companies to pay for “all *reasonable charges* incurred for *reasonably necessary* products, services and accommodations for an injured person’s care, recovery, or rehabilitation.” This covers extensive therapies, home modifications, in-home attendant care, and many other items that would not be covered by Medicaid, Medicare, or other health insurance plans. Many accident victims and their families attribute Michigan Auto No-Fault with being the only reason they or their loved one were able to recover to the extent that they have.

While benefits to the consumer are not capped in duration or monetarily, insurance companies are limited in their exposure to claims losses. The Michigan Catastrophic Claims Association reimburses insurance writers for losses exceeding $500,000. The MCCA currently has approximately $14 billion in reserves for future payouts.

Some have stated that the Michigan model is “unsustainable” and a variety of bills have been introduced to remove or cap benefits. If it is so unaffordable to write insurance in Michigan, why are there over 700insurance companies licensed in the state? In a free market, wouldn’t they choose to move their business to a more profitable state?

Michigan No-Fault is a win-win. Let’s keep it that way.

Sincerely,

<Insert Name>