

FOR IMMEDIATE RELEASE:
November 29, 2012

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Survey: Michigan Voters Want MCCA Transparency, Support State's No-Fault System

Lansing – Lawmakers have spent nearly two years debating the insurance industry's proposed cuts to Michigan auto no-fault insurance benefits and whether to impose government price controls on health care providers. A new survey, however, shows that their efforts may be better focused on improving the transparency of the Michigan Catastrophic Claims Association and getting tough on insurance fraud.

The survey, conducted by Denno Research on behalf of the Brain Injury Association of Michigan, found that 86 percent of respondents support the full injury and rehabilitation benefits provided to accident survivors under Michigan's auto insurance system. This support was demonstrated across all demographics of respondents, with African Americans (65 percent strongly agree), Macomb County residents (60 percent strongly agree) and 18-34 year-olds the most supportive (59 percent strongly agree).

“Michigan politicians have a very clear take away from this survey as they head into the final weeks of the legislative session,” said Michael Dabbs, president of BIAMI. “Don't mess with Michigan's no-fault insurance benefits!”

When respondents were asked about their awareness of the Michigan Catastrophic Claims Association (MCCA), only 20 percent of respondents claimed to be familiar with the organization. The MCCA helps pay for auto injury benefits for severely injured accident victims by reimbursing auto insurance companies for claims that exceed \$500,000. By law, every Michigan auto insurance policy is charged \$175 annually to fund the organization. That cost is passed on to rate payers.

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Once hearing an explanation of the MCCA and the \$175 per vehicle assessment charged to fund it, respondents were nearly split on whether the cost was too little, too much or just right. About 40 percent of respondents stated the assessment was just right, 33 percent said it was too much and 7 percent said that it should be higher.

Despite the cost of MCCA, 91 percent of respondents agreed the Association needs to make its financial records and rate-setting data available to the public.

“Insurance companies have asked lawmakers to drastically alter our auto insurance system in such a way that will shift millions in health care costs for accident survivors onto state taxpayers, cost hospitals tens of millions each year and lead to a loss of jobs in the health care and rehabilitation fields,” said Dabbs. “Their entire justification for these draconian changes is the financial stability of an organization whose records are completely closed off to public scrutiny. As this survey shows, voters want to see solid proof before you take away their injury benefits.”

Dabbs also points out that insurance industry representatives testified to the House Insurance Committee that the proposed changes to Michigan’s no-fault system included in HB 4936 will not save drivers on their premiums.

When survey respondents were asked their opinion about what is most responsible for driving up the cost of insurance in Michigan, 23 percent of respondents attribute high costs to insurance company greed. Nearly the same amount of respondents, 22 percent, said insurance company fraud was to blame. Also included in the list of possible responses as the cause behind increased auto insurance costs was:

- Health care providers charging too much for services (17 percent);
- The cost to repair damaged vehicles (10 percent);
- The use of credit scoring to set rates (9 percent);
- Auto insurance benefits are too generous (3 percent);
- Other (2 percent); and
- Don’t know (15 percent)

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Methodology: Denno Research conducted a telephone survey of 600 respondents in the state of Michigan between November 12-14, 2012. The survey was conducted on behalf of the Brain Injury Association of Michigan and has a margin of error of plus/minus 4 percent. Participation was stratified based on census data. In an attempt to gather responses from younger voters who do not have a land line, 120 respondents (20 percent) were from cell phone users. All numbers are rounded and may exceed 100 percent.

About CPAN: The Coalition Protecting Auto No-Fault is a broad-based coalition of consumer advocate groups, lawyers, doctors, hospitals and other health care providers working together to keep Michigan's model no-fault insurance law intact. Learn more about CPAN by visiting ProtectNoFault.org

About BIAMI: Brain Injury Association of Michigan (BIAMI) is a non-profit organization that works to enhance the lives of those affected by brain injury through education, advocacy, research, and local support groups; and to reduce the incidence of brain injury through prevention. Learn more at BIAMI.org.