

# Rep. Vaupel supports bipartisan plan to lower auto insurance rates in Michigan

*Greater choice, other reforms key to lowering nation's highest costs*

State Rep. Hank Vaupel today joined a bipartisan coalition announcing plans to fix Michigan's broken auto insurance system and significantly lower rates for drivers.

Michigan now has the highest auto insurance rates in the nation. Vaupel supports legislation that will lower the cost of auto insurance by offering motorists more coverage options, reining in medical costs and fighting abuse.

"It's high time we brought some common sense to Michigan's no-fault auto insurance system," Vaupel, of Handy Township, said today. "We're going to provide drivers with the flexibility to choose plans that work best for them and what they can afford."

Michigan's average full coverage auto insurance premium cost – nearly \$2,400 per year – is 82 percent above the national average and twice as high as those in neighboring states, according to a recent report from Insure.com.

The new bipartisan plan continues benefits for Michiganders already receiving lifetime health care after a catastrophic traffic accident. The plan also gives motorists the option to continue to buy unlimited personal injury protection (PIP) coverage, or buy more affordable alternative coverage plans.

The legislation:

- Provides a guaranteed rate reduction for drivers who choose certain coverage plans alternative to the unlimited plan;
- Gives individuals the choice on the extent of PIP coverage as part of their auto insurance. Choice levels include \$250,000, \$500,000 or unlimited;

- Allows seniors age 62 or older with lifetime health care benefits the option to opt out of PIP coverage to avoid the current double taxation;
- Establishes fee schedules and attendant care limits to significantly lower medical costs related to auto injuries;
- Helps the state ensure insurance companies are complying with state law, and creates a fraud authority to address fraudulent claims;
- Provides a state review of the Michigan Catastrophic Claims Association (MCCA) to make sure motorists are not overpaying for insurance; and
- Addresses attorney fee costs and unfounded lawsuits while eliminating attorney conflict of interests with medical providers.

“The current system allows medical and legal costs to run rampant and raise auto insurance rates for all insured drivers,” Vaupel said. “Our plan will change that. We’ve finally got a plan people can get behind to bring rate relief to Michigan drivers.”

Vaupel is a member of the House Insurance Committee, which will consider the legislation.

#####