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Insurance

10 reactions to our story on eliminating no-fault auto insurance

By [Mark Brush](#)



The Michigan legislature will debate about changes to the state's no-fault insurance laws. Commentators shared their thoughts about the potential changes.

We received a lot of reaction from people about [our story](#) on the potential consequences of eliminating the mandatory personal injury protection (PIP) part of [Michigan's no-fault auto insurance](#).

This seemingly bureaucratic story about potential changes to Michigan's insurance laws has a lot of devastating human stories behind it.

Michigan Senators [Joseph Hune](#) (R-Hamburg) and [Virgil Smith](#) (D- Detroit) have sponsored [legislation](#) that would end the state's mandatory no-fault auto insurance.

They didn't talk with Lester Graham for his story, but if the comments on our site are any indication, they will likely have to answer a lot of questions from citizens.

The Michigan Senators have said the goal of their legislation is to lower insurance costs in the state (Michigan has among the highest, [if not the highest](#), rates in the country).

For his story, Lester Graham interviewed Kristin Howard. She was severely injured in an auto accident and talked about all the help she received because of Michigan's no-fault law.

And Howard isn't the only one, many wrote in to say the same. And others wrote to say that insurance costs in Michigan need to be lowered.

"Mike" wrote in to say the PIP insurance has been a "tremendous help to me and my wife" after he became a quadriplegic as the result of an auto accident:

"This coverage has helped me to deal with the many physical, psychological, and financial aspects of this most life-altering condition. To dismantle no-fault auto insurance for some possible savings would be devastating for us and for those who will be injured in weeks, months and years to come"

"Dendronus" wrote in to say that Michigan drivers do pay more than the national average, but it's worth it. She says Michigan's no-fault law helped her after her husband was injured in an accident 5 years ago:

"...our health insurance could not have begun to cover everything he needed. He is a quadriplegic, which is awful, but given these circumstances, he is relatively healthy due to the excellent care he receives from our auto insurance. We would have been bankrupted within the first couple of years had we not had this coverage even though we had saved all our lives. Believe me, if this happened to us, it could happen to anyone."

And "Dimabry" shared their personal experience with no-fault insurance:

"My son sustained a brain injury from an auto accident. Without these benefits he would not have come as far as he has. He works 2 part time jobs and can stay alone now for days. We cant afford to lose these benefits for one person let alone many. We need the personal injury protection."

Lynn Brouwers wrote to say she's worked with survivors of bad car crashes for 30 years. Without no-fault and PIP she argues, as do many others, the costs will be passed along:

"People in Michigan need this coverage; without it we will be forcing thousands of people onto Medicaid and the welfare roles of our already challenged state health funded insurance plans."

"Bghouse" wrote in to say that something needs to be done to lower insurance costs in Michigan:

Now, I think the Personal Injury Protection is probably a good thing for those who are critically injured. But something has to be done to make insurance more affordable, and put more financial responsibility on those who cause accidents.

"Tom" wrote in to say that "it's time to give consumers a choice of auto insurance coverage."

I don't understand why people are against choice. If you want to buy more coverage, you can buy it but still at a lower rate than unlimited coverage. More than half of the drivers in Detroit do not have coverage because they can't afford it.

We have other choices in insurance – why not medical insurance for no-fault claims?

"Ann" wrote in and posted some estimates on how much it costs to cover the average person severely injured in an auto or motorcycle accident - let's just say it costs A LOT:

"Most of us are totally ignorant about what no-fault provides us, until we are one of the unfortunate ones that sustains a catastrophic injury. We also tend to think that we will never be the one catastrophically injured - that always happens to someone else until it happens to you. Each and every one of us is one auto accident away from a potentially serious, disabling injury."

"Katie" wrote in to say that "Michigan residents are provided unlimited funds for reasonable and necessary medical care; quite a deal given the outrageous cost of health care!" Katie says if the Smith/Hune bill passes, savings will be modest:

The insurance industry claims, if SB 293 is passed, that they will reduce our rates 15 to 30 percent on the personal injury portion of our auto insurance policies if lawmakers allow drivers to cap their injury and rehabilitation benefits. What they fail to tell you is that these personal injury protection (PIP) benefits only account for 30% of our auto insurance premiums, about \$1.50/day. Someone who can't afford insurance at \$5000 per year likely won't be able to afford it at \$4250. If it is about saving cost, this is not the answer as it only saves cost and increases profit for insurance companies.

And Kirk wrote in to say if the law passes "the law of unintended consequences" could go to work:

"...make a change in effort to lower costs, but in the end potentially raising costs for everyone. My stance is that when dealing with free markets it's impossible to say "this will lower costs" - you just don't know."

And "guest" wrote to share their story about recovering from an auto accident in California, and about the importance of "no-fault" insurance in their view:

I moved to California in 2003 and after one month, while stopped at a red light, was rear ended by a (very) drunk driver doing 60+ mph. My car was destroyed and I was left with a serious neck injury. I was about to learn about the insurance system, and the true value of Michigan's no-fault and unlimited medical.

In California, motorists are allowed to purchase a minimum of \$15,000 liability policy- it does not cover any medical expenses. If you are hit by such an individual and your medical "damages" are more than that, then you have to "sue" your own insurance company for the difference (with the limit being YOUR liability coverage). And you can't even file the claim until your damages are "final". Of course, then you have to pay 1/3 to your attorney.

That's what happened to me. The insurance company would only pay for a couple months of physical therapy. Unable to work, the insurance settlement didn't go very far. If this had occurred in Michigan, they would have paid for medical procedures that could have alleviated and corrected the severe pain (which I still experience).

If you allow the unlimited medical coverage to be optional, it will NOT lead to significantly cheaper rates... and the insurance companies will find ways to hide and dissuade, only resulting in more need for an attorney.

The bills aimed at ending Michigan's no-fault insurance law are expected to be brought up in the Michigan legislature in September. We'll follow the developments.