



Bill would cap auto insurance coverage

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KINGSLEY — Tina Cardinal sat in a motorized wheelchair, a tube attached to her throat that allows her to breathe. She described how she was hurt in a car accident eight years ago.

"I was passing a semi and he ran me into a tree," she said in a barely audible voice. She paused. "He got a ticket."

Cardinal recently met with a reporter at The Lighthouse Neurological Rehabilitation Center in Kingsley, where she resides with 14 others. She suffered a traumatic brain injury and receives lifetime medical care, thanks to Michigan's no-fault vehicle insurance.

Cardinal and others like her are at the heart of a proposed bill to cap Michigan's unlimited personal injury protection coverage at \$1 million. The bill recently passed out of a state insurance committee on a 10 to 5 vote along party lines. The week before, several Republicans walked out of the committee just as family members of catastrophic injury victims were about to testify, according to published reports.

"It's just cold what they're doing right now," said Mark Wilson, part owner of The Lighthouse.

Michigan policy holders pay an extra \$175 per vehicle each year to the Michigan Catastrophic Claims Association. That money pays insurance companies for medical costs that exceed \$500,000 per claim.

Under the proposal, policy owners would pay \$150 less per vehicle in the first year, offset by a new \$25 assessment to restore a Medicaid shortfall created by the bill.

Dr. Scott Groseclose, an orthopedic trauma surgeon in Traverse City, called the bill a "terrible idea."

"If you say, 'Look, it will save money,' it's a one-time \$150 refund with no guarantees of additional cost savings in the future," he said.

Groseclose believes the \$1 million cap isn't reasonable for trauma patients; one month of intensive care can cost that much. Other proposed changes in the bill would mean the loss of vital trauma treatment statewide.

"We just got to a point of a statewide trauma center in Michigan; it's fledgling, if you will," he said. "This will wipe it out. This is a huge deal."

The bill may not 'grandfather' current patients because of much stricter eligibility requirements.

"So these very injured people will end up in nursing homes on Medicaid," Groseclose said. "This shifts the costs to you and me and our tax dollars."

But the bill's proponents say that Michigan residents pay some of the highest insurance rates in the country.

Skyrocketing auto insurance rates and out-of-control medical costs prompt one in five Michigan motorists to drive uninsured because they can't afford the "Cadillac insurance" plan that Michigan drivers are forced to buy, said the Michigan Insurance Coalition in a press release.

The bill will keep intact "the best medical benefits in this country," said Jeremy MacDonald, vice president of the Michigan Professional Insurance Agents, said in the release.

The unlimited system suffered for years from lack of oversight and abuse, he added.

Rep. Wayne Schmidt, R-Traverse City, said he opposes the proposed bill and wants to keep the current policy intact.

A key issue is how much money exists in the MCCA fund to pay out claims.

"The insurance agencies say the MCCA is hanging on by a thread," said Todd Berg, an attorney with Michigan Auto Law, which has a blog on the topic. "That doesn't make any sense when you look at the books and see they have billions of dollars."

The nonprofit association reported a \$14.2 billion annual reserve average in 2012 and a net income of \$69 million.

The proposed bill deeply concerns Wilson, who said it would truncate services for brain-damaged patients, who suffer losses ranging from the ability to speak, walk, and even breathe. Cardinal nearly died a few months ago, but a tracheotomy saved her, he said.

"She's doing much better," he said.

"I stood up for 7 minutes and 15 seconds today," Cardinal said. "It feels good. Hard work, though."

