



GUEST OPINION: Michigan ‘No Fault’ law should not be changed

BY
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Michigan drivers have the best insurance system in the country, but some lawmakers in the Michigan Legislature want to dismantle that system — so insurance companies can reap even bigger profits.

Instead of taking a hard look at these record-breaking insurance company profits, these proposed bills would dismantle important protections for drivers, and shift the costs and burden to Medicaid and the taxpayers.

Currently, under Michigan’s one-of-a-kind No Fault law, Michigan drivers who are seriously injured in a car crash are guaranteed unlimited lifetime medical benefits, attendant care, wage loss and replacement services; to the extent those benefits are reasonably necessary to the injured driver’s care, recovery and rehabilitation.

Injured Michigan drivers receive those benefits regardless of who was at fault in an accident. That’s why the law is called Michigan “No Fault.” But these generous No-Fault benefits are too good to remain true for some in Michigan’s Legislature. It has introduced two bills, Senate Bills 0293 and 0294, to gut Michigan No-Fault’s protections, especially, Michigan No Fault’s crown jewel: Unlimited, lifetime medical benefits for seriously and catastrophically injured drivers.

Sponsors say the bills will “lower insurance rates.” But we’ve heard this song before. We heard these promises in 1995, when Michigan’s auto accident threshold law became the most difficult in the nation for innocent accident victims to recover under. And the promised rate cuts never materialized. In fact, insurance rates kept increasing, as did insurance company profits.

I’ve been a staunch defender of the Michigan No-Fault insurance system for my entire legal career. It is quite simply, one of the very best things that we have in our state. It isn’t just lawyers, consumer groups, medical groups and hospitals, the AARP, the Coalition Protecting Auto No-Fault (CPAN) and the catastrophically injured who feel this way.

As recently as December 2010, the Insurance Institute of Michigan and its Executive Director Pete Kuhnmuensch, stated “the benefits policyholders receive under the No-Fault policy in Michigan far outpace benefits available in any other state” and that “Michigan policyholders have the Cadillac of auto insurance policies.”

The incredible value of Michigan's No-Fault law has also been recognized by experts outside of Michigan. The American Insurance Association has said Michigan's No-Fault system "is cost effectively providing the nation's most extensive auto insurance benefits at affordable rates ..."

For Michigan drivers who have been seriously injured in a Michigan car crash, Michigan's No-Fault law is literally a lifesaver. And, for the rest of us who have been fortunate enough to drive without serious incident on Michigan's roadways, the law exists as a ready and vital safety blanket should fortunes change.

The worthy goal of saving money on insurance premiums can be better achieved by regulating insurance company profits in this state, as they are regulated in almost every other state in the nation.

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