

No-Fault Auto Insurance Reform in Michigan: An Initial Assessment

Pa ca B ,F da Sa U
R b W.K ,T U
La c S.P ,U Aaba a

W Mc a d -ar ar a c a a d
a dba c a d c ad a r -
a cca a ab U a a d b
Mc a a a a b-ca, d d
-a dca b a d c a d ab
c dca c B Mc a a cca c a d
a T a d a a a d
ca -a a a d a a a c.W
a d a ca a a a c d ab
c c d c a c
c -a c a dca c c -a
c a a d a a cca a
l a a a a a d ac.T
d a dca c a d a d dca d
b a a d H dca d a a a
ad ca a a c c a a a
a a d a a d a a c a c db a accd
c a a da a .F da a
b d a -a a ab a d a a
a d b a d a d c d
b a d a c a d Mc a c d b d a
a b a d a a a d -a a
a c.T a c b a a d-ba -a a
a cca b a d a d a

No-Fault Auto Insurance Reform in Michigan: An Initial Assessment

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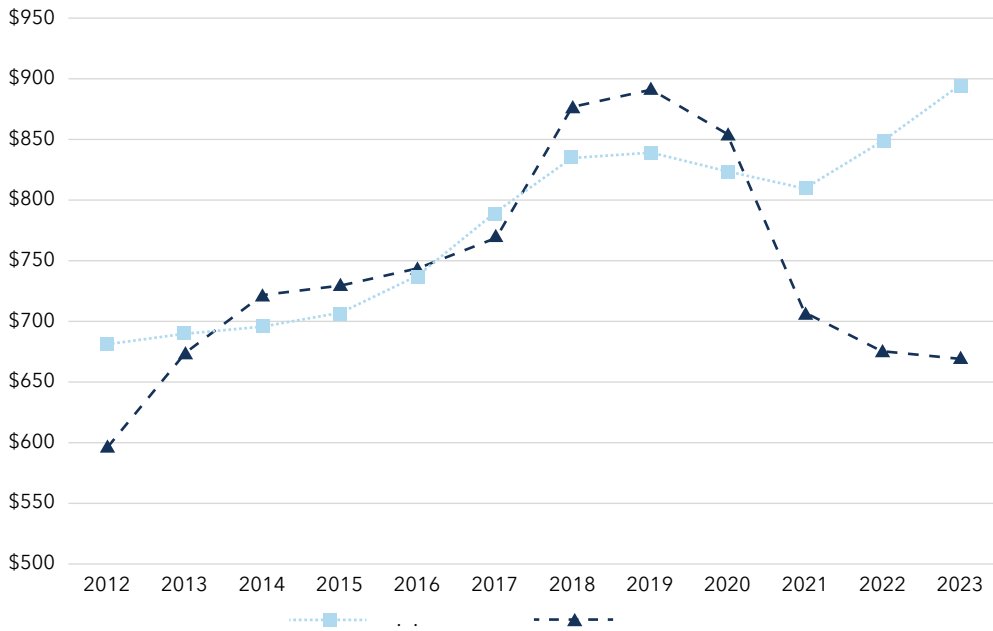
ABSTRACT

While Michigan's no-fault auto insurance system has been widely praised for its success in reducing the number of lawsuits filed in the state, it has also been criticized for its high cost and for its failure to provide adequate compensation to injured parties. This paper assesses the impact of Michigan's no-fault system on the state's economy and on the lives of its citizens. It examines the system's effects on the number of lawsuits filed, the amount of money paid out in settlements, and the quality of care received by injured parties. The paper also discusses the challenges facing Michigan's no-fault system and offers suggestions for reform. The authors conclude that Michigan's no-fault system has been a success in many respects, but it still needs to be reformed in order to better serve the needs of its citizens.

... a a d a a c W a . d . c d
c a PIP c a a d d . c a a d

Table II.1:

Figure II.1: Average Annual Labor, PIP, and Medical Payments in Michigan and U.S.



Source: Fact Table Michigan, State of Michigan, Michigan Department of Insurance and Finance.

The following table provides a detailed breakdown of the data presented in Figure II.1, showing the average annual labor, PIP, and medical payments in Michigan and the U.S. from 2012 to 2023. The data is presented in dollars and cents, rounded to the nearest dollar. The Michigan data is shown in the left column, and the U.S. data is shown in the right column. The total for each year is shown in the bottom row of each column.

Year	Michigan (Dotted Line)	U.S. (Dashed Line)
2012	680	600
2013	690	670
2014	700	720
2015	710	730
2016	740	740
2017	790	770
2018	840	880
2019	840	890
2020	820	850
2021	810	710
2022	850	680
2023	890	670

B. High Premiums in Detroit

The following table provides a detailed breakdown of the data presented in Figure II.1, showing the average annual labor, PIP, and medical payments in Michigan and the U.S. from 2012 to 2023. The data is presented in dollars and cents, rounded to the nearest dollar. The Michigan data is shown in the left column, and the U.S. data is shown in the right column. The total for each year is shown in the bottom row of each column.

As a result, the average rate for a driver with a clean record is significantly lower than for a driver with a poor record. For example, in Michigan, the average rate for a driver with a clean record is \$1,200 per year, while the average rate for a driver with a poor record is \$2,400 per year. This is a 100% increase in the rate for a driver with a poor record. The reason for this is that drivers with a poor record are considered to be a higher risk and therefore are charged a higher rate. This is a fair and reasonable way to charge drivers for the risk they pose to other drivers on the road. The average rate for a driver with a clean record is \$1,200 per year, while the average rate for a driver with a poor record is \$2,400 per year. This is a 100% increase in the rate for a driver with a poor record. The reason for this is that drivers with a poor record are considered to be a higher risk and therefore are charged a higher rate. This is a fair and reasonable way to charge drivers for the risk they pose to other drivers on the road.

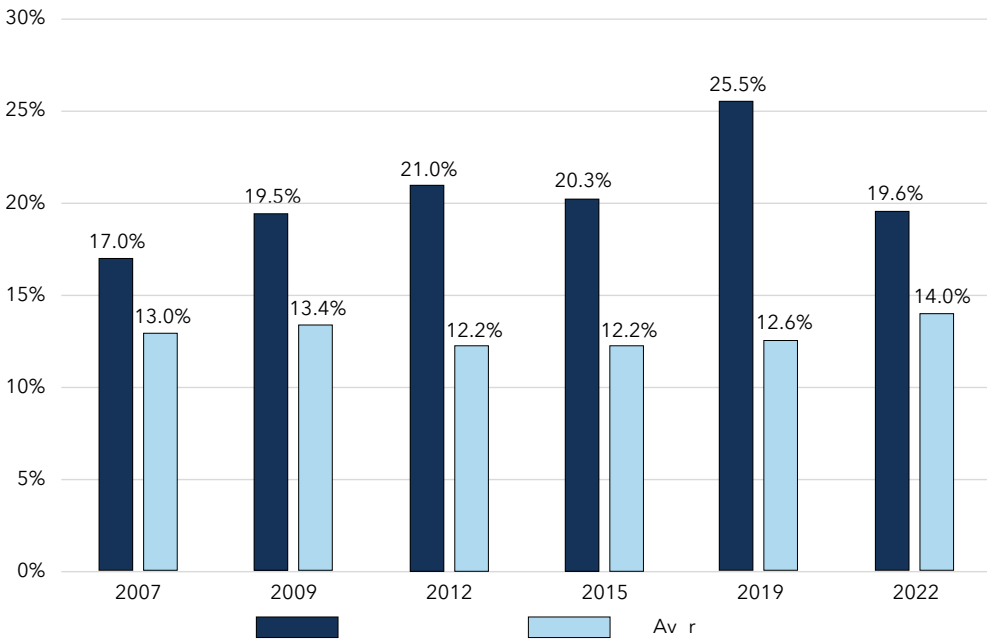
C. Uninsured Drivers

One of the major reasons for the increase in the cost of insurance is the rise in the number of uninsured drivers. In Michigan, the number of uninsured drivers has increased from 10% in 2000 to 15% in 2010. This is a significant increase and has led to a corresponding increase in the cost of insurance. The reason for this is that uninsured drivers do not have the same level of financial responsibility as insured drivers. This means that they are more likely to be involved in accidents and to cause damage to other drivers. As a result, the cost of insurance for insured drivers has increased to cover the risk posed by uninsured drivers. The average rate for a driver with a clean record is \$1,200 per year, while the average rate for a driver with a poor record is \$2,400 per year. This is a 100% increase in the rate for a driver with a poor record. The reason for this is that drivers with a poor record are considered to be a higher risk and therefore are charged a higher rate. This is a fair and reasonable way to charge drivers for the risk they pose to other drivers on the road.

1. S. J. ...
2. A. ...
3. B. ...
4. I. ...

...d(I...a c R...a c C...c...).¹³T...a c...d ab...
 a...a...a...%a d ad c...a d...b a...c...
 a...%.O...a...M...a...a d...a...c...a...
 ...d d...a M...a...¹⁴H...c...a...
 ...d d...M...a...ad a...%,d...a...c...d...
 a...c.W...b...a...a...d...
 a...b...d...

Figure II.2: E...a d P...c...a...U...r...d M...:...
 M...a...a d U.S.A...a...



S...c...I...a c R...a c C...c...

S...a c...c...a...M...a...c...ca...b...r...r...d...
 d...c...d...a...c...d...d...a...c...a...d...

b, c, a.¹⁵ | a c, d, d/
 d, d, d, d, c, d, a c.
 B, d, a d, a a. Ad, a c
 b, a b, c, c, a, da, a, a d
 b, a, d, d, ca, a. Fr, c, da, a,
 c, d, b, a c, a d, a d, b, d, d, a, d
 c, d, b, d, a c, d, ca, d,
 a d, a, a, ab, b, d, ca, c, a, acc, d, c, d, b,
 a c. Fr, a, a c, a d, ab,
 da, a, ca, A, a, a, a, b, c, b, a, a d,
 a, a d, c, ca, b, a, d, a, da, a,
 Add, a, a, a, d, d, d, c, a,
 a c, c, a c, ab, a d, d, c, a, c, T,
 c, d, c, a, c, a, a, T.

... ab ... d ... car ... accd ... a d c ... ab ...
... b d ... (BI) a d ... da a₁ (PD) ... car ... l a ad ... a
- ar ... (... add PIP c ... a₁ ...), ... b d ...
d ... c ... a ... d a ... a da a₁ ... d
... a ... T ... d ca b ... a l a c a a ...
d ca ... b c ... d (... \$...) ... ba (... b
a ... a ... a ... a a ... ab d ... b ... c ...). F ...
- ar ... a ... c, d ... M c ... a ... ba ... d, a d ...
... a ... a ... d ... l a a da ... - ar ... a ... d ...
a d a ... b ... d ar ... accd ... ca ... c ...
PIP c ... a₁ ... PIP ... d ... c ... a₁ ... d ca ... a d ... a₁ ... a
... d ... a d ... a a ... a accd ...

...d. I d...d, M c... a... ba... da... a... b... a... c... d...
...BILc... a... a... H... M c... a... PIPc... a... da...
...a... ac... dd... d... a... d... c... b... N...
...OC... a... (...)c... d... a... -a... ab... c... c... d...
...a d... a d... c... add... a... a c c... W... M c... a...
...-a... a... ac... d... c d a b... a... da... a...
...a... add... a...

B. Problems with No-Fault Auto Insurance in Michigan

M c... a... ca... a... a c c... a d a... d... a ac...
... PIPc... a... a... a... c... b... ²³ P...
M c... a... PIPc... a... d... d... d ca b... I... a... PIP
c... a... a... a da... a, b... a... b c... a...
(... \$... N... J...),²⁴

F... d... d a... a... d ca... c... d... M c... a... d ca...
... d... c... d b... b... d a c c... d... a... a b a d c... a... c a...
A... a... b... c... d b... a d... c... d... d a... d... a d...
... a... a... b... c... d c a... Add... a...
... c... a... d... a b... c... a... d ca...
... c... l... c... da... a d a d... b...
... ca... d... d b... a... b... b... c... a... c... d c...
... c... H... c... d... PIPc a... d... c... a... T...
a... c... -a... b... c... a... d c... d a b... a... d a d a b... b... d ca...
... d... a... a... a d... d a... ²⁵

T... a... a d... a c... M c... a... C a a... c... C a... A... ca...
(MCCA) ... d ca c... d... a... -a... T... MCCA...
... a... a b... d... a... a d... b... c... PIPc a... a...
a M c... a... d... ²⁶ W... a c a... a c... a c... a... d... MCCA...
... a... a... c... a... c... d... d... c... a... a... c...
PIPc a... T... c... c... MCCA... a... a... a... c...
... a... a... c... d... ²⁷ I... MCCA c... d PIPc a...
c... c... d... \$... a... a... a... a... c... a...
\$... A... c... c... ca... d... d... a... a... a... d... c... d...

...S... ac... a... b... d... c... c... a... c... a... a... c... d...
... a... a... d... d ca ca... a d a d... a... c... d... a...
...N... M c... a... N... Y... a d... D... c... C... b... a... a... PIPb... a...
\$...
...A... d... b... C... R... a... c... C... c... (CRC)... d... a... d... c a... c... a... %...
M c... a... a... c a... a... a... c... d... a... (C... R... a... c... C... c...).
...T... MCCA a... c... a... d... d... d... d... c... a... c... c... a... c... c... a... a...
... a... c... a...
...T... a... b... a... d... a... MCCA... c... a... a... c... a... c... c... a... a...

I. ... MCCA ... d ... \$... c ... d ... a ... ab ...
 ... d ... c ... d ...²

U ... d ... d ... c ... a ... ac ... a ... d ... c ... d ... a ... d ... c ...
 ... a ... ad ... ab ... d ... d ... c ... a ... d ... c ... d ... ab ... a ... d ... a ... d ... ab ... d ...
 ... (F ... a ... a ... c ... I ... r ... a ... c ... R ... e ... a ... c ... C ... r ... c ... b ...). T ...
 ... c ... d ... c ... d ... c ... a ... d ... c ... b ... c ... b ... c ... a ...
 ... c ... a ... d ... W ... c ... a ... d ...
 ... ad ... a ... c ... d ... c ... a ... c ... Add ... a ...
 ... a ... b ... c ... d ... b ... a ... a ... d ...
 ... a ... da ... ca ... F ... a ... c ... a ... d ... c ... b ... a ... a ...
 ... ad ... PIP ... b ... d ... b ... a ... c ... c ...
 ... H ... c ... a ... c ... M ... c ... a ... PIP ... b ... c ... a ... d ... c ... a ... a ...
 ... a ... ad ... c ... a ... d ... a ... d ... a ... d ... a ... d ... a ... d ... ab ...
 ... a ... d ... c ... d ...

C. Reform Legislation

T ... c ... c ... ab ... PIP ... c ... a ... d ... b ... a ... a ... c ... M ... c ... a ...
 ... a ... d ... - a ... a ... d ... a ... ac ... d ... O ... M ... a ...
 G ... G ... c ... W ... d ... a ... c ... b ... S.B. ... (... c ... b ... c ... a ... P.A. ...)
 ... M ... c ... a ... a ... a ... a ... c ...²⁹ T ... a ...
 ... a ... d ... a ... a ... ac ... d ... T ... a ... a ... acc ...
 ... c ... d ... a ... a ... a ... da ... a ... M ... c ... a ... a ... a ... c ...
 ... C ... a ... a ... d ... c ... a ... d ... c ... a ... d ... a ... a ... a ... a ...
 ... c ... ad ... c ... a ... ad ... d ... c ... a ... a ...
 ... d ... c ... a ... c ... a ... T ... c ... a ... d ... a ...
 ... M ... c ... a ... D ... c ... a ... c ... a ... D ... a ... d ...
 ... b ... ad ... ad ... c ... a ...

T ... a ... ad ... b ... a ... a ... c ... a ... PIP ... c ... a ... M ... c ... a ... d ...
 ... a ... PIP ... c ... a ... T ... c ... d ...)
 \$... d ... d ... M ... d ... c ... a ... d ...
 ... a ... a ... a ... d ... a ... a ... c ... M ... d ... c ... a ... a ... d ...
 PIP ... b ...) \$...) \$...) ... d ... c ... a ... I ... d ... a ... c ...
 ... PIP ... a ... a ... a ... a ... c ... a ... d ... c ... a ...
 ... a ... a ... acc ... d ... Add ... a ... a ... a ... d ...
 ... PIP ... c ... a ...
 ... a ... d ... a ... a ... c ... PIP ... c ... a ...

T ... a ... a ... d ... a ... c ... d ... d ... c ... a ... d ... b ...
 ... a ... a ... % ... % ... a ... c ... ab ... M ... d ... c ... a ...
 ... a ... a ... ac ... F ... a ... c ... a ... d ... a ... a ... M ... d ... c ... a ...
 ... d ... a ... a ... d ... c ... a ... % ... % ... a ... c ... a ... d ... c ...

... C ... MCCA ... PIP ... c ... c ... d ... \$... b ... a ... c ...
 \$... F ... c ... a ... MCCA ... O ... a ... \$... c ...
 d ... PIP ... c ... d ... PIP ... c ... a ... T ... c ... d ... a ... \$... c ... d ...
 PIP ... c ... a ... d ... b ... c ... d ... a ... a ... a ... da ... d ... c ... a ... c ...
 d ... b ... c ... a ... c ...

... T ... S.B. ... ca ... b ... acc ... d ... <https://www.legislature.mi.gov/documents/2019-2020/publicact/pdf/2019-PA-0021.pdf>.

ad, d. Add a, ab, c

N. a. da ca. ddb, a. b. l. a. d. a. a. b. a. ca c. a. T. a. a. a. a. b. ca b. ad.

Add a, Mc, a. BIL. c. ad. \$, ad\$. a. \$, ad\$. a. T. ab. d. ar. \$, /\$. /\$. Ad.

F. a. a. d. Mc, a. a. a. (PA) a. a. ac. T. a. ca. a. db. a. D. ad. a. a. a. a. d. c. a. a. c. ad. d. S. a. d. a. d. c. ad. a. a. a. da. d. c. ca. d. c. acc. d. a. PIP. c. a. c.

A. a. a. a. b. c. ac. a. d. c. a. a. ad. a. d. c. d. ca. c. ad. d. c. d. ca. a. a. a. a. a. d. a. a. d. T. a. a. a. d. ca. a. a. b. d. d. a. d. c. a. d. ca. a. c. a. c. a. a. H. a. d. a. bac. a. a. d. ca. c. c. a. a. a. d. c. ad. ca. a. a. a. ³⁰ | a. c. d. c.

a. a. c. a. a. a. a. Andary vs. USAA Casualty Insurance Company, Mc, a. S. C. d. c. a. d. ca. c. c. d. b. a. c. a. d. Fr. a. a. b. d. c. d. a. d. a. d. b. Mc, a. S. a. a. d. ca. a. c. a. d. c. d. c. d. a. a. c. a. d. l. d. a. c. Mc, a. a. c.

IV. No-Fault and Auto Liability Claim Costs in Michigan

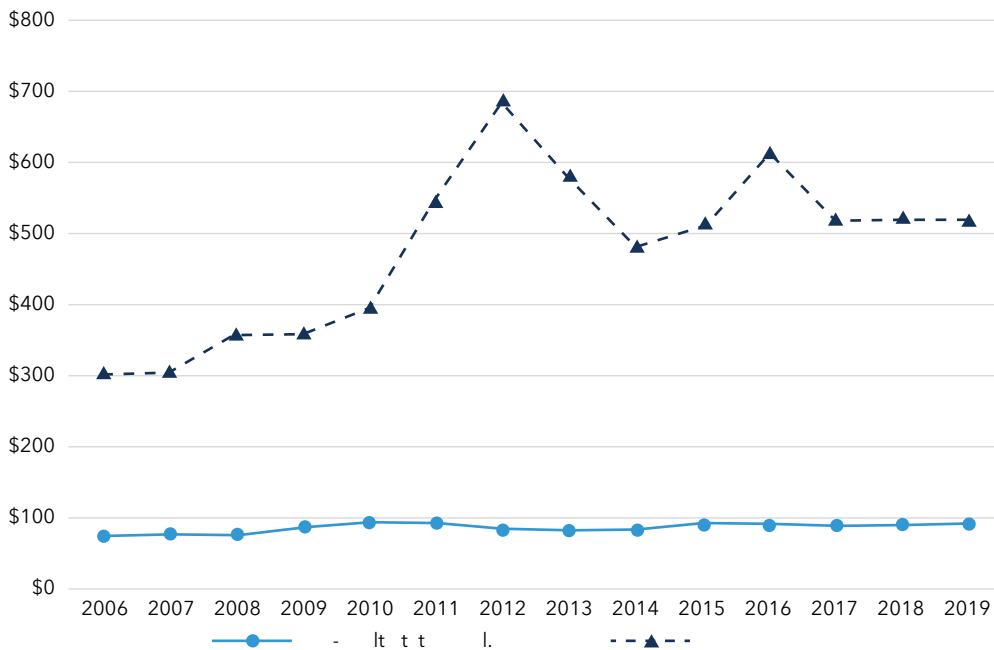
T. a. ab. d. ad. a. a. ca. Mc, a. a. c. a. c. a. d. a. b. a. c. ca. c. d. c. a. H. c. d. a. a. a. c. (a. ca. c. d. d. b. a. d.), a. a. ab. c. a. a. d. a. c. a. d. ab. ca. T. c. a. a. PIP. a. d. BIL, a. c.

T. b. C. a. P. Ar. N -Fa. (CPAN) r. c. c. a. a. d. A. a. ab. a. <https://protectnofault.org/>.

A. Personal Injury Protection Costs

Figure IV.1 shows that PIP costs have increased significantly since 2006. The increase is particularly sharp between 2010 and 2012, peaking at approximately \$680 in 2012. After 2012, costs fluctuate but remain high, generally between \$500 and \$600. The other two cost categories, Medical and Non-Far-Side ECR, remain relatively stable and low, around \$80-\$100.

Figure IV.1: Annual PIP, Medical, and Non-Far-Side ECR Costs, 2006-2019



Source: NAIC data as of 1/1/2020.

When comparing PIP costs to other insurance costs, it is clear that PIP costs are significantly higher. For example, in 2012, PIP costs were approximately \$680, while Medical costs were around \$85 and Non-Far-Side ECR costs were around \$80. This highlights the importance of PIP coverage for policyholders.

The data also shows that PIP costs have increased significantly since 2006, peaking in 2012. This increase is likely due to rising medical costs and other factors related to personal injury claims.

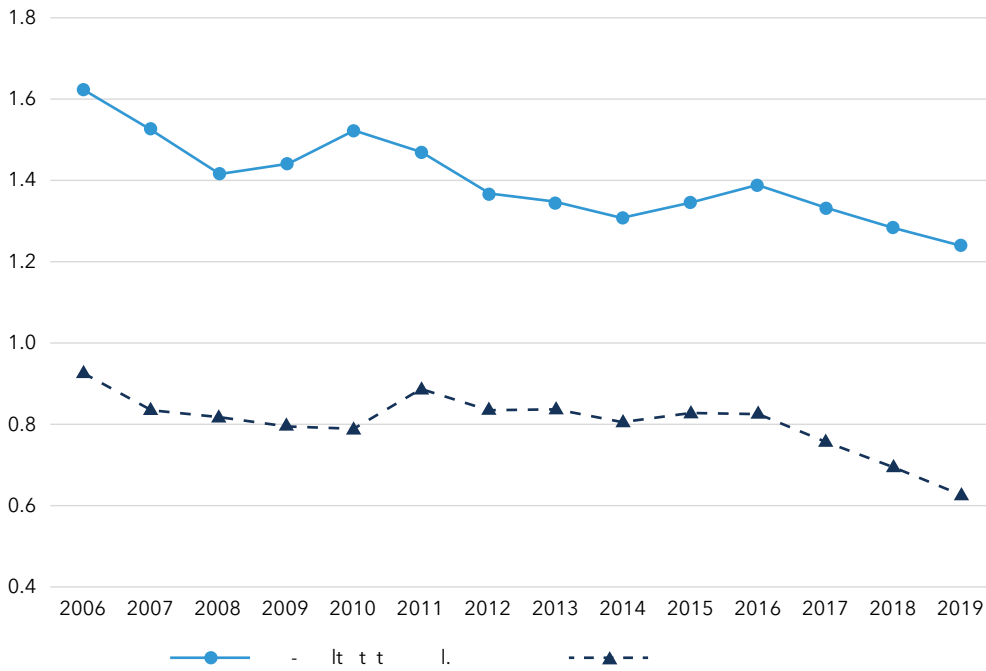
ca, a, a, ca, c db, a, ca, d, d,
A da, a, ca, d ca, c

Figure IV.2: A, a, PIP L, C, V, c, l, r, d: Fa, Tac, Da a
M, c, a, a, d N, -Fa, Sa, E, c, r, d, M, c, a

S, c, Fa, Tac, M, S, a da, ca a

T, ac, c, b, d, c, PIP c,
a, d ca, c, a d c, PIP c, a, c, c

Figure IV.3: PIP F... Mc... a... d... N...-Far... Sa...

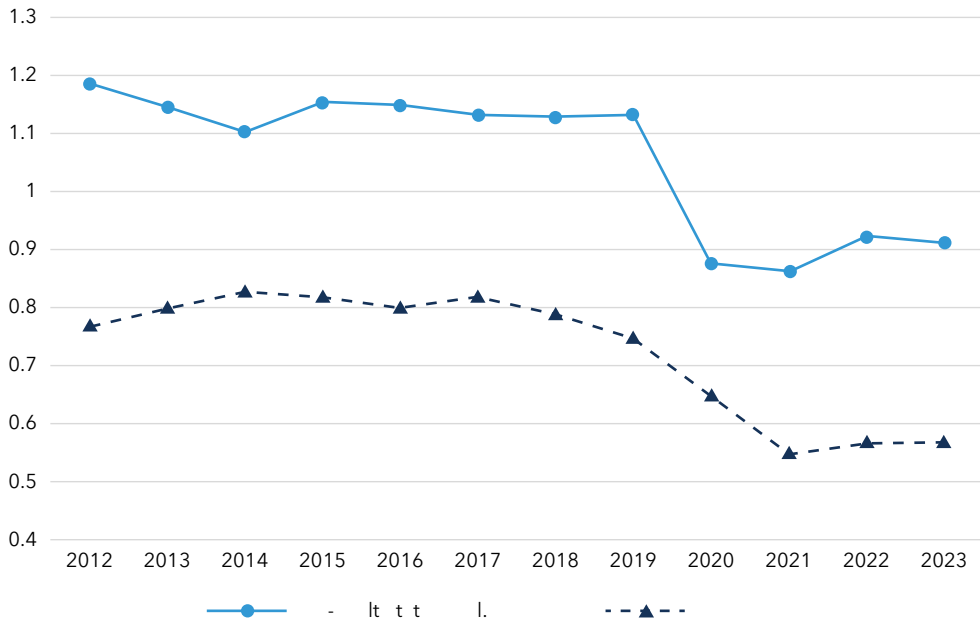


Source: NAIC data and calculations.

U... FTMS da a, ... ca ... d... a... a... a... a... b... a... c...
 ... FTMS da a. W... ca ...
 ... ad ... a... d ... a... ab ... b ... M... a... a... d ... U.S.,
 ... d... c... a... d... c... b... l... c... d... b... a... d... c... a... d...
 ... a... d... c... ca... d ... c... c... a... c... d... a... d... ca ... a... .Ca ... c...
 ... ab ... d ... a ... a
 ... M... c... a c... ..

 ... b ... a ... a 32.0 60a ... 0.6()0.5(, S5)0.c ... b ... d

Figure IV.4: PIP Paid Claims as a Percentage of Total PIP Available in the Market

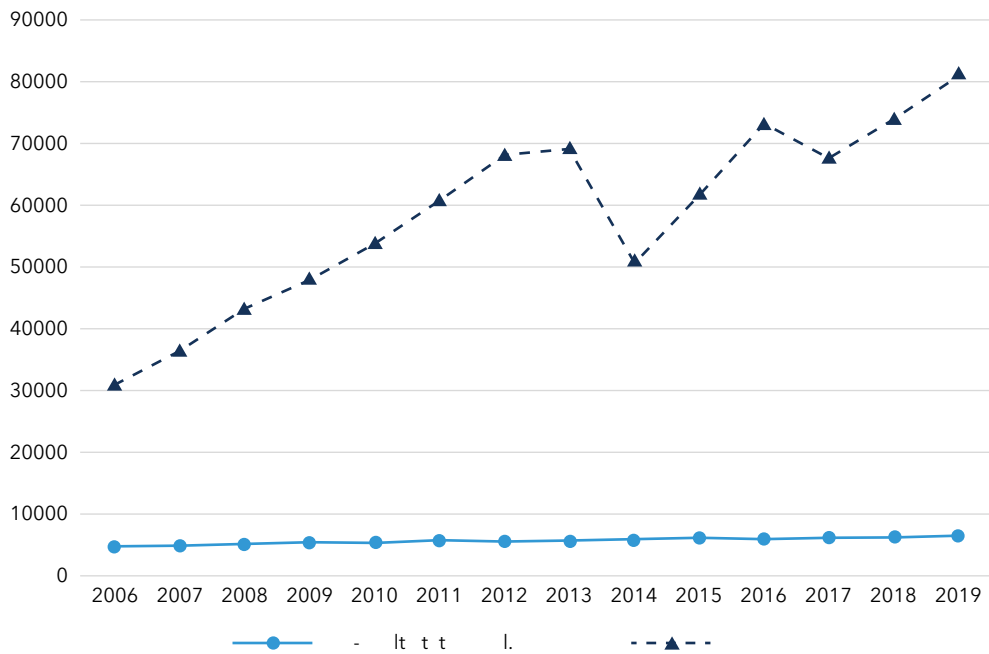


Source: Fairfax Market, Inc. (2023) and Market, Inc. (2022).

Figure IV.4 shows that the PIP available in the market has generally decreased over the period from 2012 to 2023. The PIP paid claims as a percentage of total PIP available has also generally decreased, with a sharp decline in 2020. This is likely due to the impact of the COVID-19 pandemic on the insurance market. The PIP available in the market is a function of the number of policies in force and the amount of PIP coverage per policy. The PIP paid claims as a percentage of total PIP available is a function of the number of claims filed and the amount of PIP coverage per claim. The sharp decline in 2020 is likely due to a combination of factors, including a decrease in the number of policies in force and a decrease in the amount of PIP coverage per policy. The PIP available in the market is a function of the number of policies in force and the amount of PIP coverage per policy. The PIP paid claims as a percentage of total PIP available is a function of the number of claims filed and the amount of PIP coverage per claim. The sharp decline in 2020 is likely due to a combination of factors, including a decrease in the number of policies in force and a decrease in the amount of PIP coverage per policy.

³⁴ See, for example, the discussion in the report by the Insurance Regulatory Board.

Figure IV.5: PIP Cash Settlements, 2006-2019
 Millions of Dollars - Fair Share, Excluding Medicare

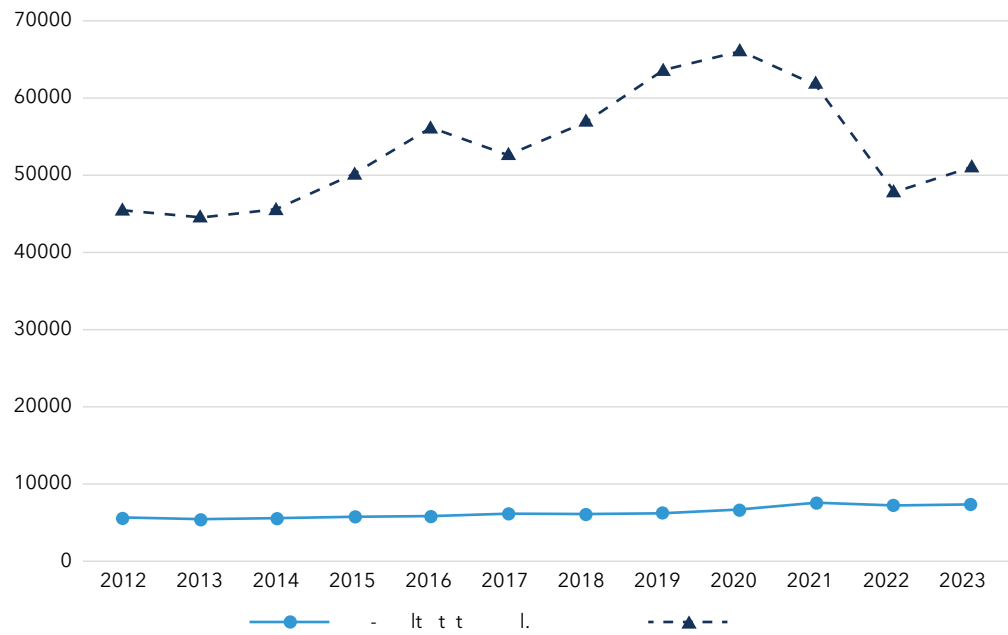


Source: NAIC data as of 12/31/2019.

Total cash settlements for PIP are calculated as the sum of PIP cash settlements paid by carriers to policyholders and PIP cash settlements paid by carriers to Medicare. Medicare PIP cash settlements are calculated as the sum of Medicare PIP cash settlements paid by carriers to Medicare beneficiaries and Medicare PIP cash settlements paid by carriers to Medicare beneficiaries.

The FTMS data shows a downward trend in PIP coverage from 2012 to 2023. The PIP coverage in Florida decreased from approximately \$100,000 in 2012 to about \$70,000 in 2023. This decline is attributed to several factors, including the implementation of the Florida Tort Reform Act in 2017, which capped non-economic damages at \$500,000. This cap significantly reduced the value of PIP coverage, as it is no longer sufficient to cover the full amount of potential non-economic damages. Additionally, the overall economic environment and the impact of the COVID-19 pandemic have contributed to a general decrease in insurance coverage across various sectors. The data indicates that PIP coverage is becoming less attractive to policyholders due to the reduced potential for recovery, particularly in cases involving non-economic damages. This trend is consistent with the broader market conditions and regulatory changes affecting the insurance industry in Florida.

Figure IV.6: Paid Claims for Bodily Injury Liability, Florida, 2012-2023. Source: Florida Department of Insurance, Bureau of Insurance Statistics.



Source: Florida Department of Insurance, Bureau of Insurance Statistics.

B. Bodily Injury Liability

Bodily Injury Liability (BIL) coverage is a critical component of auto insurance. The data shows that BIL claims have remained relatively stable over the period from 2012 to 2023, with a slight increase in 2023. This stability is likely due to the fact that BIL coverage is required by law in Florida, and the amount of coverage is typically higher than PIP coverage. The Florida Tort Reform Act, which capped non-economic damages at \$500,000, has also had a significant impact on BIL claims, as it has reduced the potential for large settlements. Despite these changes, BIL coverage remains a key element of comprehensive auto insurance protection for Florida residents.

ad, d, ad, a, a, a, b, c, a
a, c, c, M, a, Add, a, c, a, a
a, c, a, d, b, M, a, d, ab, ca, d
b, ac, ab, c, a, PIP, b
W, b, b, a, a, a, c, BIL, ca, T, a, a

W... add ... BILca ...
Mc... a ... b ... a ... ab ... da ... B ... adK ...
(...). O ... a ... dca ... a BILca ... c ... d ... ab ...
Mc ... a ... -a ... a ... a da ... a ... l ... , BILca ... c ... a ...
Mc ... a ... -a ... a ... a d ... a ... a ...

Mc ... a ... ba ... d ... ab ... ca ... c ... d b ... b ... a ... a ... d ... c ...
b ... ca ... a ... a ... d b ... ca ... Mc ... a ... da ...
d ... d d ... a ... a ... -a ... l ... a ... b ... ca ... a ...
Mc ... a ... PIP b ... ad ... a ... d ... a ... d ... a ...
ab ... ca ... b ... a ... a ... c ... a ... R ... ad ... a ... a ... a ...
a ... c ... BILca ... Mc ... a ... a b ... a ... b ... a ... a ... c ... b ...
a ... a ... a ... a ... c ... c ... a ...

O ... a ... d ... da ... a ... dca ... a ... BILca ... a ... b ...
c ... d ... ab ... Mc ... a ... a ... a ... l ... a ... a ... a ... BILca ...
Mc ... a ... c ... a ... \$... c ... a ... d ... \$... a ... da ...
-a ... a ... a ... d ... \$... a ... a ... T ... BILca ... Mc ... a ...
c ... a ... Mc ... a ... ba ... d ... ca ... ab ... ca ...
a ... a ... d ... b ... d ... d ... c ... a ... a ... ca ...
b ... d ... O ... ac ... c ... da ... b ... ca ... ab ... ca ... a ... a ...
b ... da ... d ... ad ... Mc ... a ... c ... a ... a ... a ... a ... d ...
a ... a ... a ... d ... ad ... ad ... a ... d ...³⁸

W ... ca ... a ... c ... -a ... a ... d ... a ... b ... a ... c ...
BILc ... b ... a ... c ... da ... a ... BIL ... r ... ca ... c ... a ... d ...
FTMS. I ... a ... d ... a ... ca ... d ... PIP ... ca ... a ... b ...
a ... a ... b ... a ... a ... ca ... d ... c ... a ... BILca ... c ... a ... accd ... c ... a ...
b ... c ... c ... a ... a ... a ... F ... IV ... BIL ...
d ... a ...

38

Figure IV.8: BILP, P, Fa Tac M, S
Mc, a a dN -Fa Sa E c, d, Mc, a

a d, c c a r a c a a
PIP c a . T da a
a - a c a PIP c a a a d b d
c a d PIP c a a d a

V. Evaluation of No-Fault Reforms

I l c a a a d c d
a a b c d b a d W G
a PIP c a b d c a a d a b
a c W a b d a c a
PIP c a d b a a d c c a r a c a
d a d a d c c a c PIP
PIP a a d a a c a a
d. F d c a d a d c d a d c a c
PIP c a d a c a c a c c
c a d a c a a c a d c
a d a a T a c a
a a c d b b a c b a a a c a
b d c a .³

A. PIP Options and Premium Savings

A a d S c Ill, d a , c a a , PIP
c a a d c a a b a a a c
a d c a a a a a c d . A a c *Detroit
Free Press* d a c d PIP c c a a
:⁴

PIP C. c	% D
U d	%
U d	

a , d PIP c a a b c a a
a .T. d d c d a
a .R a d a da d a d c a d a d

A... ca... c, db... a, ca d... da ca a d... ca a a... ca... db... a... a c. G... da ca... a... a c... a... da... ac... c... a ba... d... c. T... ca d... a... ca a... a... d... c... a... ad... a... d ca... ca a... c. H... ca... ca... c... db... a... a c... b... G... da ca...⁴⁶ T... a... a... M... a... d... a... a... d... da a... a... c... d... PIP... d... a... a... c... c... c... da ca b... a... a c... a... c... ca b... c... d.

W... a... a... M... a... d... a... a... ba... d... b... a... a... d... a... a... a... d... ca... a... c... a... c... T... a... c... d... a... a... a... c... M... d... ca... a... d... M... d... ca... d.

T... c... ab... c... a... a... c... d... c... a... b... ca... d... PIP... c... a... a... d... acc... d... ca... d... b... a... a... a... a... d... a... a... a... T... a... a... d... a... a... M... a... d... a... a... d... d... ca... a... d... a... a... c... d... PIP... d... d... ba... d... O... ca... a... a... d... a... a... c... c... da a... c... d... b... a... c... Add... a... a... a... c... d... d... c... PIP... H... a... c... a... ca... ba... d... a... d... a... b... ad... a... a... d... ab... a... c... c...

B. Limits on Reimbursement Rates

R... b... a... a... c... a... d... d... ca... d... U... d... a... a... a... d... b... d... ca... a... d... ab... a... d... c... d... da... %... % M... d... ca... b... a... F... d... a... b... a... a... da... %... a... d... d... d... ac... a... b... c... a... % M... d... ca... a... a... J... a... d... d... a... R... c... d... a... d... c... a... c... a... %.

T... b... a... a... c... a... d... ca... ac... c... a... a... a... c... a... d... a... a... d... a... d... a... ab... a... ac... a... ca... a... a... a... c... ac... a... b... d... a... %... a... M... d... ca... a... l... d... a... c... a... b... c... a... d... %... Add... a... c... a... ac... a... a... d... c... a... %... c... d... ca... c... c... a... d... %... d... d... c... a...

I... M... d... d... d... a... a... a... ab... a... a... a... d... b... a... a... ca... da... %... %... c... d... d... a... c... Ja... a... ad... d... A... c... d... d...

1. T... a... c... ca... M... a... ca... a... c... d... \$... d... d... ca... L... ca... a... c... d... d... c... c... G... da ca... H... a... b... c... a... b... ca... c... a... d... c... a... c... a... c... a... M... d... ca... d... c... da ca... d... d... a... a... a... a... da... a... H... a... d... b... a... a... d... acc... M... d... ca... d... a...

... c b, M d ca , c a ac c a a a c
... a F a a c , % r . T a ,
... % .

M d ca d , a , ca , -ac ca a d ab a c
a d c c a b , a a a d
c b, M d ca d a c c
d , ca acc d c , ca a c .⁴⁸ T
c c a b a a d b , C a P c , A N -Fa (CPAN).⁴⁹
T a c -M d ca -c d d , a b , c , a c c
d ca d , a , c d d b , a d M d ca a d a
c , c a c a d A da , a .

T M c , a P b c H a l , (MPHI) c d c d a , d , c
ac , c , c a a ab
ca a c , a ca c a (M c , a P b c H a l ,
a d . . .).⁵⁰

b. c. d. -ac ca a accd
T. a a r a da b c d
ad a ca accd c d b ac da a c a d c
d c a da c ca c a d a d.

C. Utilization Controls

T. a a ab d c d MCCA, a c
a da ca c a a accd l a a d
c d c a c a a a a
a a b a d a a d c c
acc da d d a d d PIP c a ba d d ca
acc d a da d A d ca d ca b d b c a c d
a d a c c a a c a d d A d
a b a ad c d a a
MDIFS c a a d a c ac a d b c a c
l a a a a a d a d d ca
d c a b d a a d d a a c a
S c ca d a d a c a a
a ca d da c d c a a b a d

T d d ab a c a a
c d c a a c a
T c c d b a c a b d c
ca a d c d ca d a c C
c a a c d ad b a c d d
b ab a a c a d c a d W c

H... a... b... a... c... d... PIPc... a d...
c... a... a... , a dca db... ce da a. T... Mc... a S... C...
d.c. ... A da, ca... ca... a... PIP ca...
... db... a ca... d. T... ce... dca... PIP
dca c... c... a... d... dca ca ca c... a dc...
c... a... a... PIPc... a... a... a.

A... a... a d... da ab c... a a ab... b ab... b... a...
... a a c... ca c... a d... a d... c...
ca... . O d... a... d... a... d...
c... ab... a d PIPc... a... l d... a... , ca... d... c...
PIPc... a... a... d... d... a... , d... c... , b a a...
d... cca c... a d... a... a... O... d... a...
d... c... b c... a... PIPc... a... Add... a... PIP
... a... d... d... d... ca... dca c... c...
... d... d... PIPc... a...

Add... a... d... a ab... d... a d... a... a...
ac d... a... a c d... c... a d... a... dca ca... d...
a... accd... a d... ca... c... c... ac d... a c...
dca ca... a d. l... d b... d... ab... d... a... c...
c... d... d... b... a... dca... d... b...
ac... a d... ab... a... c... a... d... d... a... da ca...
r... a... c... , a d d... c... c... PIPc... a... H... a... a...
a... c... ad... ac a d... a... dca ca... c... db... d... ?
H... a... , d... d... a... c... c... da ca... d... a...
PIPc... a... ? T... a... a d... a... c... a... d... , a... a... d...
a... accd... PIPc... a... c... c... dca c... ?

A... a... a d... b... d... a d... Mc... a...
... a... a... a... a c... a... da da c... d...
Mc... a... d... a d accd... c...

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