

CAR INSURANCE REFORM

— THE BIPARTISAN PLAN TO LOWER CAR INSURANCE RATES —

✓ LOWER RATES

Mandated rate rollbacks ensure savings are passed on to Michigan families

For people who choose:

OPT OUT	\$50K OPTION	\$250K OPTION	\$500K OPTION	UNLIMITED <small>(no change)</small>
100% PIP rollback	45% PIP rollback	35% PIP rollback	20% PIP rollback	10% PIP rollback
Average savings: \$1200 /year or more	Average savings: \$540 /year or more	Average savings: \$420 /year or more	Average savings: \$240 /year or more	Average savings: \$120 /year or more

Average savings based on an average premium of \$2400/year and ~50% of a bill being PIP.

The state department that oversees insurance rates will be required to deny any rates that don't meet this new, higher standard

✓ LOWER MEDICAL COSTS, BETTER CARE

A new fee schedule phased in over three years to prevent widespread abuse and patients being forced to pay three or four times what a medical service actually costs

July 1, 2021 at 200-240% of Medicare July 1, 2022, at 195-235% of Medicare July 1, 2023, at 190-230% of Medicare

New, higher standards requiring medical specialists have national accreditation to protect consumers

New limits on attendant care to stop one of the most common abuses and frauds that drive up costs for everyone else

✓ CHOICE FOR MICHIGAN DRIVERS

Michigan families will no longer be forced to buy the most expensive plan no matter what

New coverage options include:

Unlimited coverage <small>(no change)</small>	\$50k limit <small>for Medicaid recipients</small>	\$250k limit	\$500k limit	Opting out on PIP
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— DIFFERENCES FROM THE HOUSE-APPROVED PLAN —

We originally approved sweeping reforms that fixed Michigan's broken car insurance system and guaranteed savings for drivers - helping families save more than \$2 billion per year on their insurance bills. But car insurance reform isn't a partisan issue, and the nation's most expensive premiums affect every Michigander. That is why we worked hard to negotiate with Democrats and our new governor to find common ground.

Differences negotiated to gain the governor's support include:

- Asking low-income residents and those with very high-deductible plans to purchase additional coverage;
- Giving insurance companies an 'off-ramp' to avoid rollbacks when the administration allows;
- Raising the fee schedule for hospital bills to 190% of Medicare;
- Removing the new Fraud Authority;
- Extending the 5-year rate rollback to an 8-year rate rollback; and
- Listing specific non-driving factors by name.

The plan retains:

- Giving Michigan drivers the freedom of PIP choice for the first time ever;
- Providing a PIP opt out option for most drivers in Michigan to help them save up to 50 percent on their rates;
- Maintaining the nation's best medical coverage for those who want to continue buying unlimited PIP;
- Ending price gouging by medical providers;
- Guaranteed rate rollbacks to slash premium costs;
- Setting reasonable limits for attendant care;
- Increasing transparency of the MCCA through auditing and reporting requirements; and
- Requiring DIFS to combat fraud and abuse within the system.