



The Voice of Small Business

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For Immediate Release

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## **Poll: Voters looking for no-fault relief**

*70 percent support no-fault reform package*

September 24, 2015 (Lansing, MI) – Michigan voters are tired of paying high auto insurance rates and strongly support a no-fault reform package of bills pending in the State House according to a poll of Michigan voters released today by the National Federation of Independent Business (NFIB).

“Seventy percent of voters support the no-fault reform package that would lower rates by reducing the costs of medical care without reducing unlimited lifetime benefits,” said NFIB State Director Charlie Owens. “The poll certainly indicates drivers are sick and tired of paying some of the highest auto insurance rates in the nation and they’re looking for the legislature to do something about it.”

The poll asked a number of questions of Michigan voters regarding their perceptions and feelings towards no-fault auto insurance. Highlights of the poll’s findings include:

- 70 percent of Michigan voters believe their auto insurance rates are too high. Not a single voter thought their rates were too low.
- 60 percent thought Michigan rates were higher than other states. Only three percent thought they were lower.
- 68 percent support giving drivers the choice of buying a lower level of medical coverage in order to reduce the cost of insurance. Michigan law currently mandates purchasing unlimited coverage
- 84 percent support efforts to stop hospitals and other medical providers from charging auto accident patients 300 percent more than charged to other patients.
- 73 percent supported establishing an Auto Insurance Fraud Authority.

### “D” Insurance

The poll also showed strong support for the “D” insurance program being pushed by Detroit Mayor Mike Duggan. Fifty-eight percent of statewide voters supported the program to allow voters in some urban areas the option to purchase \$275,000 in medical coverage to help lower their rates. Only 23 percent of the voters opposed the idea.

- Among Detroit voters, 72 percent said they supported the “D” insurance plan. Only 19 percent of voters opposed.
- 94 percent of Detroit voters thought their auto insurance was too high.
- Statewide support for “D” insurance increased to 63 percent if the option was offered to all drivers and not just those in urban areas.

“Legislative mandates that raise auto insurance rates are bad for Michigan’s economy, Michigan’s small businesses, and Michigan’s drivers,” added Owens. “Mandating drivers pay higher costs than they need



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to pay is just like imposing a tax on every driver in Michigan. It's time the legislature stepped up and provided some relief."

According to Owens, the proposed no-fault reform legislation (S.B. 248) protects the unlimited lifetime benefits for Michigan drivers, establishes a Fraud Authority, limits medical providers from billing auto insurance companies 150 percent of Medicare rates, limits attendant care to 24 hours per day and establishes a maximum rate of \$15 per hour (\$131,000 per year) for family members and establishes and new fund for catastrophic claims that is run by a public board.

"These survey results are consistent with our own small business member responses to a survey conducted in 2013," said Owens. "In that survey, an overwhelming percentage of small business owners supported getting rid of Michigan's unlimited lifetime medical benefits as part of a proposal to reform the auto insurance system."

###

*NFIB/Michigan represents more than 10,000 small business owners in Michigan and is a member of the Coalition for Auto Insurance Reform (CAIR) working to provide responsible auto insurance rate relief for all Michigan drivers. Other members of CAIR include the Michigan Chamber of Commerce, Michigan Farm Bureau, Michigan Insurance Agents, Insurance Institute of Michigan, and the Michigan Insurance Coalition.*

*The survey was conducted by Marketing Resource Group of 600 likely Michigan voters was conducted by live interview September 9-14, 2015. The sample was randomly drawn from a listed sample of all registered voters with a history of voting and stratified by city and township to reflect voter turnout. In addition, quotas for gender and cell phone interviews were met within each geographic area, and extra efforts were made to reach African Americans. Thirty percent of the interviews were conducted with cell phone only or cell phone dominant households.*

*A sample of 600 likely voters in Michigan yields a sampling margin of error of ±4 percent with a 95 percent confidence interval. The sampling margin of error for subgroups may be higher depending on the size of the subgroup.*

The following are the exact wording of the questions and the responses. For further breakout of the data, please contact Tom Shields [toms@mrngmi.com](mailto:toms@mrngmi.com), 517.372.4400

Q.1 Do you think your auto insurance premiums are [ROTATE:] (too high, too low) or about right?

|                           |     |
|---------------------------|-----|
| Too high                  | 73% |
| Too low                   | 0%  |
| About right               | 20% |
| Don't have auto insurance | 2%  |
| Don't know/unsure         | 4%  |
| Refused                   | 1%  |

Q.2 Compared to other states, do you think auto insurance premiums in Michigan are [ROTATE:] (higher, lower) or about the same?

|        |     |
|--------|-----|
| Higher | 60% |
| Lower  | 3%  |
| Same   | 10% |



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|            |     |
|------------|-----|
| Don't know | 27% |
| Refused    | 1%  |

Q.3 Michigan's no-fault auto insurance law requires Michigan drivers to purchase auto insurance with unlimited lifetime medical benefits coverage. Do you think drivers should be allowed to choose less expensive auto insurance policies with optional levels of medical coverage?

|                      |     |
|----------------------|-----|
| Yes                  | 68% |
| No                   | 22% |
| Undecided/don't know | 10% |
| Refused              | 0%  |

Q.4 In Michigan, your car insurance is responsible for any health care costs related to injuries sustained in a car accident. Hospitals and other healthcare providers charge car insurance companies substantially more than they charge other health insurance providers for the same services. For example, if you need an MRI because of a car accident, your car insurance company will pay, on average, 300 - 500% more for your MRI than your health insurance provider would pay for the same MRI. Would you support or oppose legislation to require hospitals to charge car insurance companies and healthcare insurers the same amount for the same services?

[IF SUPPORT/OPPOSE, ASK] Would that be strongly (support/oppose) or just somewhat (support/oppose)?

|                      |            |
|----------------------|------------|
| Strongly support     | 70%        |
| Somewhat support     | 14%        |
| Somewhat oppose      | 4%         |
| Strongly oppose      | 6%         |
| Don't know           | 6%         |
| Refused              | 1%         |
| <b>TOTAL SUPPORT</b> | <b>84%</b> |
| <b>TOTAL OPPOSE</b>  | <b>10%</b> |

Q.5 Michigan law already regulates insurance companies through oversight from the Department of Insurance and Financial Services, but Michigan is one of only seven states that does not have a fraud unit to investigate, arrest and convict people guilty of insurance fraud. Would you support or oppose legislation to create an Auto Insurance Fraud Authority that is paid for by the auto insurance companies?

[IF SUPPORT/OPPOSE, ASK:] Is that strongly (support/oppose) or just somewhat (support/oppose)?

|                      |            |
|----------------------|------------|
| Strongly support     | 52%        |
| Somewhat support     | 21%        |
| Somewhat oppose      | 6%         |
| Strongly oppose      | 9%         |
| Don't know           | 11%        |
| Refused              | 1%         |
| <b>TOTAL SUPPORT</b> | <b>73%</b> |
| <b>TOTAL OPPOSE</b>  | <b>15%</b> |

Q.6 The Michigan legislature is considering changes to no-fault auto insurance. The new law would maintain current coverage levels including unlimited lifetime medical benefits while reducing auto insurance premiums by a minimum of \$100 a year per car. This would be accomplished by regulating the charges car insurance companies are required



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to pay for medical procedures and family attendant care, and by creating an auto-insurance fraud bureau. Would you support or oppose these changes to Michigan's no-fault auto insurance?

[IF SUPPORT/OPPOSE, ASK:] Would that be strongly (support/oppose) or just somewhat (support/oppose)?

|                  |     |
|------------------|-----|
| Strongly support | 39% |
| Somewhat support | 31% |
| Neither          | 5%  |
| Somewhat oppose  | 6%  |
| Strongly oppose  | 5%  |
| Don't know       | 14% |
| Refused          | 1%  |
| <br>             |     |
| TOTAL SUPPORT    | 70% |
| TOTAL OPPOSE     | 11% |

Q.7 As you may know, Michigan residents in urban areas pay some of the highest auto insurance rates in the country. On average, Detroit residents pay \$3,400 a year per car. Detroit Mayor Duggan supports legislation that would give residents of some urban areas the option of purchasing \$275,000 worth of medical coverage instead of the unlimited lifetime medical coverage currently required. This change could reduce the average rate in Detroit by about \$1,000 a year. What about you? Would you support or oppose this change?

[IF SUPPORT/OPPOSE, ASK:] Would that be strongly (support/oppose) or just somewhat (support/oppose)?

|                  |     |
|------------------|-----|
| Strongly support | 33% |
| Somewhat support | 25% |
| Neither          | 5%  |
| Somewhat oppose  | 11% |
| Strongly oppose  | 12% |
| Don't know       | 14% |
| Refused          | 1%  |
| <br>             |     |
| TOTAL SUPPORT    | 58% |
| TOTAL OPPOSE     | 23% |