

More than 155,000 previously uninsured drivers purchased car insurance since auto no-fault reforms took effect

The cost to get insurance in Michigan decreased by 27% in 2020, making it more affordable to insure a car

LANSING — The **Insurance Alliance of Michigan** (IAM) today announced more than 150,000 drivers who previously didn't have auto insurance have purchased it since reforms to Michigan's broken, outdated auto no-fault system took effect last summer. Of those 155,170 drivers, more than 66,000 were driving without car insurance for three years or more. According to the Insurance Information Institute, 1 in 4 drivers in Michigan didn't have car insurance in 2019.

"The fact that more drivers can finally afford car insurance and are getting it for the first time — or for the first time in several years — is further proof auto no-fault reforms are working," said IAM Executive Director **Erin McDonough**. "For the first time in eight years, Michigan is no longer the most expensive state to insure a car. Premiums are down 27%, according to insure.com. We want to thank lawmakers for staying the course on these reforms so more people could afford car insurance."

According to data compiled by IAM member companies, which reflects 66% of Michigan's auto insurance market, 155,170 previously uninsured drivers purchased car insurance between July 2020 and the end of August 2021. During the first month the reforms took effect more than 23,000 people purchased policies. On average, more than 11,000 drivers who didn't have car insurance before are purchasing it every month in Michigan.

Since reforms took effect on July 2, 2020, Michigan drivers have saved \$1 billion on Michigan Catastrophic Claims (MCCA) fees alone, which is on top of any savings on their premiums. The MCCA also announced it would be refunding drivers \$400 per-vehicle because of a surplus, putting more money back into the pockets of Michiganders. The surplus stemmed, in part, from savings from a reasonable medical fee schedule, which took effect this summer. The medical fee schedule reined in overcharging that had been rampant for decades.

"Insurance premiums are decreasing, more drivers are able to afford car insurance, and the MCCA is providing refunds to millions of drivers," McDonough said. "This adds up to a win for Michigan drivers who had been paying the highest auto insurance premiums in the country for far too long."

Michiganders who have not yet purchased car insurance should do so before the end of the year. The amnesty period for Michiganders to purchase auto insurance without penalty ends on Jan. 1, 2022.

#

IAM is a government affairs and public information association that represents auto, home and business insurance companies and related organizations operating in Michigan. Learn more about IAM and its members on [Facebook](#), [Twitter](#) or at www.insurancealliancemichigan.org.

This email was sent to info@mirsnews.com
Byrum & Fisk, 1501 North Shore Dr., Suite B, East Lansing, MI 48823, United States
[Unsubscribe](#)