



August 11, 2016

## Agency Bulletin

**TO: Agency Partners**

**RE: Information we thought you might find interesting...**

Dr. Robert Hartwig of the Insurance Information Institute (III) recently gave a presentation regarding many facets of the insurance industry on a national basis. Attached are a couple of the slides he presented regarding the profitability of private passenger automobile (PPA) insurance on a national basis by state. The study calculated the average annual return on net worth (equity) and was measured over a 10 year period from 2005-2014.

As you are aware there is no shortage of conversation regarding the affordability of PPA insurance in Michigan which unfortunately has become unaffordable to many of our residents. It is estimated that over 20% of all vehicle owners in Michigan currently are uninsured (over 50 % in the city of Detroit). As you can see from the attached slides, PPA rates in Michigan actually need to be increased to meet the national average of return on equity.

We hope Michigan vehicle owners recognize the incredible benefits of the Michigan No-fault policy, below are some of the major benefits;

- **Lifetime unlimited** Personal Injury Protection (PIP) benefits (that are reasonable & necessary) for those that have incurred accidental bodily injury arising out of the ownership, operation, maintenance and use of a motor vehicle, without regard to fault
- Generous wage loss benefits of up to approximately \$5,400 per month for 3 years
- Generous attendant care benefits for as long as necessary
- Generous replacement services benefits of up to \$20 per day for 3 years (includes lawn maintenance, cooking, snow shoveling, housekeeping, laundry, household repairs, vehicle repairs, etc.)
- Generous modification/rehab benefits such as retrofitting of a house if necessary.
- A fairly moderate verbal threshold regarding your ability to sue a negligent party for your bodily injury (McCormick v Carrier)
- Funeral and burial expense benefits of not less than \$1750 or more than \$5000
- \$1,000,000 of Property Protection Benefits

There is no doubt that the Michigan PPA automobile policy is the **BEST** policy in the United States by a large margin (perhaps even the BEST in the world!). Not that any of us would look forward to getting into a car accident, however, if you or a family member is ever injured in a car accident you will be thankful you are covered by a Michigan No-fault policy.

**Pioneer State Mutual Insurance Company is happy to provide this protection to our policyholder members.**