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MI Chamber: Recent court decision could unravel auto insurance reforms and savings

Reforms deserve to stand, continue working for Michigan drivers and employers with fleet vehicles

(LANSING, Mich.) – Michigan drivers and businesses with vehicle fleets again face rising costs after the Michigan Catastrophic Claims Association (MCCA) [assessed a new \\$48 fee because of an anticipated deficit](#) due to an August court ruling ([Andary v. USAA Michigan Court of Appeals](#)). The ruling threatens to unravel hard-fought and long overdue reforms to Michigan’s broken auto insurance system.

“Michigan drivers and job providers with vehicle fleets from across the state received much-needed relief because of the widely-supported bipartisan auto insurance reforms, signed by Gov. Whitmer, of 2019 after overpaying for auto insurance for decades,” said **Wendy Block, vice president of business advocacy and member engagement**. “Michigan continues to be a more competitive and cost-effective state to afford auto insurance after years to holding the unenviable No. 1 spot for the highest in the country premium cost. That progress is in jeopardy after activist judges ignored legislative intent and the actual statutory language, and substituted their own interpretation.”

Block noted that more than 50 insurers have entered Michigan’s market since reforms took effect and this competition has helped further drive down costs while ensuring a wide range of coverage options.

Thanks to the legislative reforms, Michigan drivers received a \$400 rebate per vehicle earlier this year, returning over \$3 billion to Michigan drivers and employers. Unfortunately, the Michigan Court of Appeals decision, and subsequent action by the MCCA, reverses course and requires insured drivers to pay a \$48 per vehicle assessment to the MCCA to cover a projected deficit.

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The Michigan Chamber of Commerce is a statewide business organization representing approximately 5,000 employers, trade associations and local chambers of commerce. The Michigan Chamber represents businesses of every size and type in all 83 counties across the state and employing more than 1 million Michiganders. The Chamber was established in 1959 to be an advocate for Michigan’s job providers in the legislative, political and legal process.