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Michigan Association of Insurance Agents  
*Representing Independent Agents*

House Insurance Committee  
InRe: HB 5887 – 5889

Certain persons would not be entitled to receive Personal Injury Protection benefits for injuries suffered in an automobile accident if:

**(HB 5887)** the person is in commission or flight from a commission of a felony;

**(HB 5888)** the person is in violation of Michigan Law related to DUI;

**(HB 5889, H-1)** as a passenger the person knew or had reason to believe the vehicle was stolen.

Dear Chairman Lund and Committee Members,

Concerns offered by MAIA for consideration by the Committee:

HB 5887 has broad language with respect to “in the commission of ...a crime... There are some accidental circumstances where an individual could be charged with a felony for the way in which they are driving or because of the consequences of their driving (257.601 c as an example) when the driver also may require medical services. Should the operator be excluded from those benefits to pay for their injuries if they are also charged with a felony under these circumstances? We would suggest more specifics as to what felonies would forfeit benefits.

The language in HB 5887 might also be construed to imply that simply being charged with the crime would be enough to forfeit benefits. Under this scenario, claims may be denied until the matter is resolved leaving the insured (and provider) in difficult financial circumstances (no-fault was intended to alleviate “wait” times for claims payment). We suggest specifying in the language to require a conviction before benefits are forfeited.

With respect to all three bills, MAIA recognizes that addressing the policy question of “Who is or is not eligible for PIP benefits?” is a legitimate policy question and for some time has been limited to those who haven’t purchased the appropriate insurance coverage and those who have unlawfully taken a vehicle. These bills are obviously expanding upon that policy question based on other identified “irresponsible” behavior.



It is important to remember that someone will pay for an automobile injury claim no matter what behavior caused the claim (the legislative analysis points this out). The result of this legislation is a cost (and responsibility) shift to other entities whether they be the individual, other health insurers, or Michigan taxpayers.

MAIA has not taken a position on these bills as of yet.

MAIA appreciates your consideration.

Sincerely,

Scott Hummel  
VP for Government Affairs  
Michigan Association of Insurance Agents

