

# Auto Insurance

## No-Fault: Michigan's Unique Auto Insurance Law

Michigan is generally recognized as having the most efficient and effective auto insurance laws in the United States.

In the U.S., there are two systems that provide compensation to persons injured in automobile accidents: the traditional tort system and the “no-fault” approach.

A tort is a civil wrong, injury, or damage other than breach of contract. Under the tort compensation system, the person at fault in an accident — or the person’s insurance company — pays damages. This requires a finding of fault, sometimes by a court, before benefits are paid.

Under a no-fault system, which became effective in Michigan in 1973, fault usually is not at issue; a person's own insurance company pays for medical expenses and lost wages, regardless of who caused the accident. The objective of the no-fault system is to eliminate delays and costs of court disputes associated with the tort system. Twelve states and Puerto Rico have some variety of no-fault automobile insurance.

**Michigan has the highest no-fault medical benefits in the nation.** The Michigan no-fault insurance policy must cover all reasonable and necessary charges for lifetime medical care, including rehabilitation. No other state in the country provides such high benefits. The Michigan policy also provides up to three years of lost wages and replacement services. Under no-fault, these benefits usually are paid without the need to file a lawsuit.

The no-fault law in Michigan permits lawsuits only under certain circumstances. A lawsuit for damages is prohibited unless a victim’s injuries result in death, serious permanent disfigurement, or serious impairment of body function.

### Mandatory Coverages

All drivers in Michigan are required by law to have three mandatory insurance coverages.

### Personal Injury Protection (PIP)

Benefits are paid to accident victims by their own insurance company. These include the following:

- All reasonable and necessary medical expenses
- Up to three years of lost wages. This is subject to an annual cost-of-living adjustment. Higher benefit limits may be purchased.
- Up to \$20 per day, for a maximum of three years, for "replacement services." This pays for services which the injured person cannot perform.
- Funeral and burial expense benefits.

Personal Injury Protection coverage applies to accidents occurring throughout the US and Canada.

### Property Protection

This provides coverage for damage caused by your car to property of others (except moving vehicles), regardless of fault.

- Coverage is provided up to \$1 million maximum.
- Vehicles are excluded from coverage unless properly parked.
- Property Protection does not apply to accidents occurring outside the state of Michigan.

### Residual Liability

This provides protection if you are sued or legally responsible:

- In accidents involving death, serious impairment of body function or permanent, serious disfigurement.
- When actual economic losses sustained in an accident exceed the PIP benefits available.
- In accidents occurring outside of Michigan, for property damage and bodily injury.

The required limits of this coverage are \$20,000 for one person's injury, \$40,000 for all persons injured in one accident and \$10,000 for property damage. Higher limits may be purchased.

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## Optional Coverages

Insurance companies also offer several optional coverages as a part of the no-fault insurance policy.

**Collision** Insurance is available in three forms.

- Regular or Standard - pays for damage to your vehicle, regardless of who is at fault. You always pay the deductible.
- Broad - pays for damage to your vehicle regardless of who is at fault for an accident. But if you were more than 50 percent at fault, you pay the deductible.
- Limited - pays for damage to your vehicle only if you were not more than 50 percent at fault in an accident.

**Comprehensive** - pays for damage to your car resulting from causes other than collision, such as fire and theft.

**Uninsured Motorists/Underinsured Motorists**- pays what you would be legally entitled to collect for injuries caused by an uninsured/underinsured driver.

**Road Service** - pays for aid when your car is disabled.

## Factors Which Determine The Cost Of Auto Premiums

Auto insurance prices in Michigan are reasonable — especially considering the high level of benefits provided to consumers. In 2007, the average auto premium in Michigan was \$1,055.65 a year.

Michigan's Essential Insurance Act provides that rates shall not be excessive, inadequate or unfairly discriminatory. It further limits the factors an insurance company can use to determine the price of an auto policy. Following are just some of the classifications used to determine how much car insurance will cost.

Driver age, length of driving experience or number of years licensed to operate a vehicle.

Statistics indicate that more experienced drivers are involved in fewer accidents.

Driving record. Good drivers pay lower premiums than those motorists with tickets and/or at-fault accidents.

Where the driver lives. More auto accidents and thefts occur in urban areas than in suburban or rural areas. Due to the increased risk, people who live in urban areas usually pay higher premiums.

Type and use of car. The cost of insuring a car depends not only on its value, but safety features and cost to repair.

Coverages selected. In Michigan, drivers are required to carry Personal Injury Protection, Property Protection and Residual Liability; however, there are several "you choose" coverages available to motorists.

There are other social and economic factors which have an impact on the premium motorists pay for auto insurance coverage.

Social inflation. The term does not refer to specific social programs, but to rising costs brought on by the prevailing attitudes of society. More people are suing each other and today's juries are prone to grant larger awards. The cost of paying high court awards, settlements and even the expense of defending lawsuits translates into higher premiums.

Health care costs. The average Personal Injury Protection (PIP) claim in Michigan in 2009 was \$32,778. From 1999 to 2009, the average PIP claim rose more than 161 percent.

Crime. In 2009, about 35,000 vehicles were stolen in Michigan — one every 15 minutes. The amount paid for this crime through premiums is around \$50 to several hundred dollars a year, depending on geographic location and value of the vehicle. Fraudulent claims are rising also. The National Insurance Crime Bureau estimates that property/casualty insurance fraud costs more than \$30 billion annually.

Statutory benefit increases. Under Michigan's no-fault law, the maximum work loss benefit payable to persons injured in auto accidents is adjusted each year to reflect changes in the National Consumer Price Index. When no-fault became law in 1973, the maximum work loss benefit was \$1,000 per month or \$36,000 over a three-year period. Today, the monthly benefit has risen to \$4,878 — or about \$175,608 for three years.

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## Uninsured Motorists

The Insurance Research Council (IRC) in 2008 released a study that found one in six drivers across the United States are uninsured. According to the study, although the estimated percentage of uninsured drivers decreased from 14.9 in 2003 to 13.8 in 2007, the economic downturn is expected to trigger a rise in the uninsured motorist rate in 2008.

The IRC study estimates Michigan's uninsured motorists rate at 17 percent. That rate is estimated to be as

high as 50 percent in some urban areas.

The Insurance Research Council calculations estimate the uninsured driver population using a ratio of insurance claims made by individuals who were injured by uninsured drivers to claims made by individuals who were injured by insured drivers during 2007.

The IRC also found a strong correlation between the percent of uninsured motorists and the unemployment rate.

### Estimated Percentage of Uninsured Motorists By State, 2007

New Mexico	29%	Hawaii	12%
Mississippi	28%	Louisiana	12%
Alabama	26%	Iowa	12%
Oklahoma	24%	Minnesota	12%
Florida	23%	North Carolina	12%
Tennessee	20%	Georgia	12%
California	18%	New Hampshire	11%
Arizona	18%	Oregon	11%
Michigan	17%	Delaware	10%
Washington	16%	Kansas	10%
Ohio	16%	Connecticut	9%
Kentucky	16%	Virginia	9%
Texas	15%	South Carolina	9%
Nevada	15%	Idaho	9%
Arkansas	15%	Wyoming	9%
Wisconsin	15%	New Jersey	8%
Illinois	15%	Utah	8%
Montana	15%	Nebraska	8%
Colorado	15%	West Virginia	8%
District of Columbia	15%	Pennsylvania	7%
Indiana	14%	South Dakota	7%
Missouri	14%	Vermont	6%
Rhode Island	14%	New York	5%
Alaska	13%	North Dakota	5%
Maryland	12%	Maine	4%
		Massachusetts	1%

Source: Insurance Research Council, 2008

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## Michigan Catastrophic Claims Association

### What is the MCCA?

The Michigan Catastrophic Claims Association (MCCA), an unincorporated nonprofit association, was created by the Michigan Legislature in 1978. The MCCA reimburses auto no-fault insurance companies for Personal Injury Protection (PIP) (medical) claims that exceed the current threshold of \$480,000. That means that the injured party's insurance company pays the first \$480,000 of medical expenses and the MCCA reimburses the insurance company for benefits paid over that amount.

### What is the purpose of the MCCA?

Michigan is the only state in the country that provides **unlimited** coverage for medical expenses which result from auto accidents. So, individuals who are injured in auto accidents will receive reasonable and necessary medical benefits for their entire lifetime. The cost to run such a system is expensive. Without the MCCA, the stability of any insurance company could be threatened if it were faced with a series of catastrophic claims.

The MCCA currently pays out about \$67 million each month for claim costs resulting from catastrophic injuries.

### How is the MCCA funded?

The 1978 law requires all insurance companies that write automobile insurance in the state of Michigan to be members of the MCCA. The law specifies that the MCCA must distribute losses among all auto insurance companies doing business in the state of Michigan. The assessments paid to the MCCA by insurance companies are reflected in the auto insurance premiums paid by Michigan policyholders.

### How does the MCCA determine its assessment?

The law requires the Association to assess an amount that is sufficient to cover the lifetime claims of all persons catastrophically injured in that year.

During the period of July 1, 2010 through June 30, 2011, it is estimated that 1,200 individuals will be catastrophically injured in auto accidents. The MCCA also adjusts the annual assessment to compensate for surpluses or deficits from previous assessments.

### What is the assessment for the MCCA?

The 2010-11 assessment is \$143.09 per car. It represents \$116.84 per vehicle for pure premium (for accidents arising under insurance policies with the effective dates between July 1, 2010 and June 30, 2011), \$26.00 for partial deficit recoupment and 25 cents for administrative expenses. The \$26.00 only recoups part of the deficit estimated at \$291 per car.

Historic vehicles pay 20 percent of the assessment or \$28.62 in 2010-11.

### How much has the MCCA paid out for claims?

The MCCA paid out \$811 million in 2009 for claim costs.

### How many claims have been reported to the MCCA?

Since, 1979, there have been over 2,400 claims reported to the MCCA, which will cost an estimated \$71 billion. The majority of these catastrophic injuries involve closed-head injuries, paraplegia, quadriplegia and burns.

### Who is on the Board of Directors for the MCCA?

The Board of Directors of the MCCA is comprised of five member insurance companies that write over 50 percent of the state's auto insurance. Those member companies are appointed by the Commissioner of the Michigan Office of Financial and Insurance Regulation. The Commissioner serves as an ex-officio member.

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## Michigan Catastrophic Claims Association Assessment History

<u>Assessment Period</u>	<u>Months</u>	<u>*Pure Premium</u>	<u>(Surplus) Deficit Adjustment</u>	<u>Administration Expense</u>	<u>Assessment</u>
7/1/78 to 6/30/79	12	\$3.00	\$0	0	\$3.00
7/1/79 to 12/31/79	6	\$6.28	\$5.40	0	\$11.68
1/1/80 to 12/31/80	12	\$6.36	(\$0.36)	0	\$6.00
1/1/81 to 12/31/81	12	\$7.14	(\$0.58)	\$0.20	\$6.76
1/1/82 to 12/31/82	12	\$6.64	(\$0.81)	\$0.10	\$5.93
1/1/83 to 12/31/83	12	\$7.55	(\$2.12)	\$0.10	\$5.53
1/1/84 to 12/31/84	12	\$8.24	(\$2.44)	\$0.11	\$5.91
1/1/85 to 12/31/85	12	\$10.55	\$1.40	\$0.10	\$12.05
1/1/86 to 12/31/86	12	\$11.24	\$3.07	\$0.09	\$14.40
1/1/87 to 12/31/87	12	\$15.77	\$6.81	\$0.09	\$22.67
1/1/88 to 12/31/88	12	\$24.41	\$8.10	\$0.09	\$32.60
1/1/89 to 12/31/89	12	\$33.44	\$10.12	\$0.09	\$43.65
1/1/90 to 12/31/90	12	\$48.12	\$18.37	\$0.15	\$66.64
1/1/91 to 12/31/91	12	\$68.33	\$32.50	\$0.17	\$101.00
1/1/92 to 12/31/92	12	\$77.69	\$32.77	\$0.12	\$110.58
1/1/93 to 12/31/93	12	\$90.43	\$28.14	\$0.12	\$118.69
1/1/94 to 12/31/94	12	\$98.71	\$16.89	\$0.12	\$115.72
1/1/95 to 12/31/95	12	\$98.07	(\$1.24)	\$0.12	\$96.95
1/1/96 to 12/31/96	12	\$87.53	(\$15.06)	\$0.10	\$72.57
1/1/97 to 12/31/97	12	\$62.03	(\$47.19)	\$0.10	\$14.94
1/1/98 to 12/31/98	12	\$63.87	(\$58.37)	\$0.10	\$5.60
1/1/99 to 12/31/99	12	\$56.31	(\$50.81)	\$0.10	\$5.60
1/1/00 to 12/31/00	12	\$52.30	(\$46.79)	\$0.09	\$5.60
1/1/01 to 12/31/01	12	\$61.53	(\$47.21)	\$0.09	\$14.41
1/1/02 to 6/30/02	6	\$71.05	\$0	\$0.10	\$71.15
7/1/02 to 6/30/03	12	\$68.90	\$0	\$0.10	\$69.00
7/1/03 to 6/30/04	12	\$79.30	\$20.80	\$0.10	\$100.20
7/1/04 to 6/30/05	12	\$95.93	\$31.21	\$0.10	\$127.24
7/1/05 to 6/30/06	12	\$116.43	\$25.17	\$0.10	\$141.70
7/1/06 to 6/30/07	12	\$113.48	\$23.75	\$0.10	\$137.33
7/1/07 to 6/30/08	12	\$106.63	\$16.42	\$0.10	\$123.15
7/1/08 to 6/30/09	12	\$96.06	\$8.32	\$0.20	\$104.58
7/1/09 to 6/30/10	12	\$100.78	\$23.89	\$0.22	\$124.89
7/1/10 to 6/30/11	12	\$116.84	\$26.00	\$0.25	\$143.09

\*Pure Premium is the portion of the premium which covers losses and related loss expenses (i.e., does not include other expense amounts).

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## Financial Responsibility

### Laws By State

Most states require vehicle owners to purchase a minimum amount of bodily injury and property damage liability to protect them if they are sued or legally responsible for damages. All states have financial responsibility laws. To comply with financial responsibility laws, most drivers purchase auto insurance. **In Michigan, drivers must purchase no-fault insurance which includes minimum liability limits of 20/40/10.**

The first two figures refer to bodily injury liability and the third figure to property damage liability. For example, 20/40/10 means coverage up to \$40,000 for all persons injured in an accident, subject to a limit of \$20,000 for one individual, and \$10,000 coverage for property damage.

<u>State</u>	<u>Liability Limits</u>
Alabama	25/50/25
Alaska	50/100/25
Arizona	15/30/10
Arkansas	25/50/25
California	15/30/5 (a)
Colorado	25/50/15
Connecticut	20/40/10
Delaware	15/30/10
D.C.	25/50/10
Florida	10/20/10 (b)
Georgia	25/50/25
Hawaii	20/40/10
Idaho	25/50/15
Illinois	20/40/15
Indiana	25/50/10
Iowa	20/40/15
Kansas	25/50/10
Kentucky	25/50/10
Louisiana	15/30/25
Maine	50/100/25 (c)
Maryland	20/40/15
Massachusetts	20/40/5
Michigan	20/40/10

Minnesota	30/60/10
Mississippi	25/50/25
Missouri	25/50/10
Montana	25/50/10
Nebraska	25/50/25
Nevada	15/30/10
New Hampshire	25/50/25(c)
New Jersey	15/30/5 (d)
New Mexico	25/50/10
New York	25/50/10 (e)
North Carolina	30/60/25
North Dakota	25/50/25
Ohio	12.5/25/7.5
Oklahoma	25/50/25
Oregon	25/50/10
Pennsylvania	15/30/5
Rhode Island	25/50/25 (b)
South Carolina	25/50/25
South Dakota	25/50/25
Tennessee	25/50/15 (b)
Texas	20/50/25*
Utah	25/65/15 (b)
Vermont	25/50/10
Virginia	25/50/20
Washington	25/50/10
West Virginia	20/40/10
Wisconsin	25/50/10
Wyoming	25/50/20

(a) Low-cost policy limits for Los Angeles and San Francisco low-income drivers in the California Automobile Assigned Risk Plan are 10/20/3. (b) Instead of policy limits, policyholders can satisfy the requirement with a combined single limit policy. (c) In addition, policyholders must also carry at least \$1,000 in medical benefits. (d) Basic policy (optional) limits are 10/10/5. (e) In addition, policyholders must have 50/100 for wrongful death coverage.

\*Minimum coverage will increase to 30/60/30 on January 1, 2011

Source: Property Casualty Insurers Association of America, state department of insurance and motor vehicles. Compiled by the Insurance Information Institute.

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## Auto Insurance Premium Dollar Breakdown Nationally

Private Passenger Auto, 2008

**PREMIUMS EARNED:** **\$100**

### CLAIMS:

#### Payments to injured persons:

Medical	\$9	
Wage loss and other economic awards	2	
Pain and suffering/noneconomic awards	6	
Lawyers' fees	11	
Other costs of settling claims	2	
<b>Subtotal</b>		<b>\$30</b>

#### \*Payments for damages to cars:

Property damage liability	\$17	
Collision claims	17	
Comprehensive claims	7	
Other costs of settling claims	1	
<b>Subtotal</b>		<b>\$42</b>

**Total claims** **\$72**

### EXPENSES:

Commissions and other selling expenses	\$18	
General expenses	5	
State taxes, licenses and fees	2	
Dividends to policyholders	1	
<b>Total expenses</b>		<b>\$26</b>
<b>Claims and expense total</b>		<b>\$98</b>

### BOTTOM LINE:

**Investment gain	\$5	
Pretax income (\$100-\$93+\$7)	7	
Tax	-2	
<b>Income after taxes</b>		<b>\$5</b>

\*Includes theft and damage to other property. Includes

\*\*Interest, dividends and realized capital gains.

Source: Insurance Information Institute estimate based on data from ISO; National Association of Insurance Commissioners (NAIC) Annual Statement Database, via Highline Data, LLC; Insurance Research Council, A.M. Best Company, Inc.

## Discounts

Insurance companies offer rate discounts to policyholders for such things as insuring two or more vehicles with the same company, low mileage, safety belt use, air bags and anti-theft devices. Discounts vary by company, however. Some of those discounts offered are:

**Good Student Discount** - Limited to high school or full-time college students over the age of 16. It's usually contingent on maintaining a B or better grade average.

**Anti-theft Device Discount** - Available from some companies when vehicles are equipped with alarms or disabling devices that reduce exposure to theft.

**Multi-Car Discount** - Available to those who insure two or more cars on the same policy.

**Multiple Policy Discount** - Available from some companies to individuals carrying more than one type of policy (i.e. auto, home with the same company).

**Safety Feature Discounts** - Available from some companies to drivers of cars with air bags or antilock brakes.

**Good Credit Discount** - Some companies offer a discount for those individuals who maintain good credit.

### Average cost of a paid claim – by auto coverage 2009 compared to 1999

Coverage	1999	2009
Collision	\$ 2,197	\$ 2,710
Comprehensive	\$ 859	\$ 988
Personal Injury Protection	\$12,541	\$32,778
Bodily Injury Liability	\$26,754	\$38,350

Source: Property Casualty Insurers Association Fast Track.

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## State Average Auto Insurance Premium By State 2007

<u>State</u>	<u>Average Premium</u>	<u>State</u>	<u>Average Premium</u>
Alabama	\$817.06	Montana	830.59
Alaska	1,105.65	Nebraska	689.03
Arizona	1,006.75	Nevada	1,127.63
Arkansas	805.50	New Hampshire	802.16
California	949.76	New Jersey	1,227.63
Colorado	860.29	New Mexico	904.29
Connecticut	1,060.22	New York	1,179.40
Delaware	1,099.20	North Carolina	699.45
District of Columbia	1,288.52	North Dakota	657.63
Florida	1,123.19	Ohio	705.33
Georgia	956.64	Oklahoma	804.55
Hawaii	955.31	Oregon	806.12
Idaho	677.48	Pennsylvania	916.39
Illinois	804.63	Rhode Island	1,174.28
Indiana	707.99	South Carolina	878.52
Iowa	620.08	South Dakota	668.98
Kansas	713.24	Tennessee	771.17
Kentucky	856.32	Texas	955.71
Louisiana	1,262.13	Utah	798.40
Maine	707.24	Vermont	761.53
Maryland	1,009.37	Virginia	748.13
Massachusetts	1,056.91	Washington	927.67
<b>Michigan</b>	<b>1,055.65</b>	West Virginia	975.29
Minnesota	803.14	Wisconsin	642.47
Mississippi	814.31	Wyoming	797.63
Missouri	766.76		
		<b>Countrywide</b>	<b>\$911.84</b>

Source: 2009 National Association of Insurance Commissioners

The state combined average premium per insured vehicle is calculated by summing the average premiums for the three coverages. The result is the average cost of an auto insurance policy in the state that contains all three -- liability, comprehensive and collision -- coverages.

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## Top Writers of Auto Insurance in Michigan

<u>Company</u>	<u>Premiums</u>	<u>Market Share</u>
1. State Farm Mutual	\$1,197,190	19
2. Auto Club Group	799,203	13
3. Citizens	459,580	7
4. Home-Owners	384,472	6
5. Progressive MI	364,148	6
6. Auto Club Ins. Assn.	281,408	5
7. Allstate	276,403	4
8. Farm Bureau	199,613	3
9. Auto-Owners	196,300	3
10. MEEMIC	174,318	3

Source: Michigan Office of Financial and Insurance Regulation

## The Michigan Auto Insurance Placement Facility

The Michigan Automobile Insurance Placement Facility (Facility) is Michigan's residual market mechanism for automobile insurance. It was established by Chapter 33 of the Michigan Insurance Code to guarantee that automobile insurance is available to Michigan citizens who are unable to obtain automobile insurance in the competitive market.

Effective January 1, 1981, the Essential Insurance Act of 1979 converted the Facility from an assigned risk plan to a joint underwriting association (JUA). A JUA is a pooling mechanism under which a limited number of companies act as servicing carriers. JUA administrative costs and operating results are shared among the member companies in proportion to their competitive market business. Member companies are all carriers writing auto insurance in the state of Michigan.

Six members currently act as JUA servicing carriers, five for private passenger business and one for commercial business. The five private passenger carriers are Allstate Insurance Company, Auto Club

Insurance Association, Auto-Owners Insurance Company, Citizens Insurance Company of America, and State Farm Mutual Auto Insurance Company. The commercial carrier is Amerisure Mutual Insurance Company.

A Board of Governors consisting of seven representatives from participating member companies, two insurance agent representatives, and two public representatives administer the Facility. The company representatives are elected annually by the member companies. The Commissioner of Insurance appoints the agent and public representatives.

MAIPF is available to persons who (a) own a motor vehicle registered or to be registered in Michigan, or (b) have a valid driver's license, or (c) are eligible for the restoration of their Michigan driver's license upon the filing of proof of financial responsibility.

Commercial applicants must have their operating headquarters (the chief or usual place of business) in the state of Michigan or vehicles to be insured must be required to maintain security by Section 3102 of the Michigan Insurance Code.

Applicants may apply for coverage through any licensed Michigan agent and may choose the servicing carrier to issue the policy. Assignments are made in accordance with the applicant's preference whenever possible. However, placement of applications is subject to the Facility's contract with its servicing carriers. The Servicing Carriers accept a minimum percentage of applications equal to their voluntary market share from the second prior year. Their maximum share may be three times its voluntary market share or as requested, whichever is less.

MAIPF also administers **HEAT®** (Help Eliminate Auto Thefts), a program that rewards citizens for information leading to the arrest and prosecution of suspected car thieves, the issuance of a warrant for carjackers, and the arrest and binding over for trial of suspected theft ring or chop shop members. (For more information on **HEAT®**, see **Chapter on Insurance Related Crime.**)

# Auto Insurance

## How To Save Money On Your Auto Insurance

Michigan policyholders can make choices that help control what they pay for automobile insurance.

Despite the many factors which continue to increase insurance payout for auto accidents – such as the rising costs of health care and auto repair – motorists can make decisions which will help control or even lower what they pay for their individual coverage.

Here are a few tips:

- **Select your car carefully** – rates are based on factors including: cost, repairability, performance characteristics, and likelihood of being stolen.
- **Coordinate personal injury protection coverage** if you have other accident and health insurance.
- **Choose higher deductibles** on collision and comprehensive coverage.
- **Choose a different type of collision insurance** – but make sure you understand when you're covered and when you're not.
- **If you have an older car, consider dropping both collision and comprehensive coverage.** Policies generally cover no more than the actual cash value of the vehicle (depreciated value).
- **Drive carefully.** Most traffic tickets and at-fault accidents will automatically increase your rates.



- **Ask about special discounts.** Most companies offer rate discounts for safety belt usage, anti-theft devices and insuring two or more vehicles under the same policy.

- **Shop around.** Look for the best combination of coverage, price and service. If you need background information about a particular company(s), call the Insurance Information Hotline at 1-800-777-8005. The Hotline, which has been in operation since 1979, is a ready source of information on all types of insurance. Hotline personnel respond to complaints – and provide for prompt, objective resolution of disputes between policyholders and insurance companies. The Hotline is available Monday through Friday, 8:30 a.m. to 4:30 p.m.

## Licensed Drivers By Age

<u>Age</u>	<u>2009</u>
Under 16	46,785
16	83,183
17	99,589
18	99,910
19	117,538
20	124,495
21	112,630
22	117,431
23	119,086
24	122,334
25-29	552,534
30-34	541,210
35-39	579,755
40-44	622,718
45-49	692,642
50-54	706,457
55-59	634,552
60-64	530,771
65-69	391,126
70-74	281,093
75-79	216,409
80-84	164,674
85-89	87,812
90-94	25,390
95-99	3,331
100+	164
<b>Total</b>	<b>7,073,619</b>

Source: Michigan Department of State

# Auto Insurance

## Registered Vehicles in Michigan

<u>Registered Vehicles</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Number of registered vehicles (in millions)*	8.7	8.5	8.4	8.3	8.4	8.1	8.2
<u>Registrations by type**</u>							
	<u>2008</u>				<u>2009</u>		
Passenger Vehicles	7,303,770				7,306,491		
Commercial	575,262				531,896		
Trailer	137,812				125,516		
Motorcycle	270,569				266,713		