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November 1, 2017

Greetings Michigan House Members –

The Michigan State Employee Retirees Association Coordinating Council Executive Committee has voted to **oppose HB 5013 H-1**, the auto no-fault reform legislation. Michigan SERA has 23 chapters statewide and about 8,000 members. We have the following concerns.

- Over 18 percent of Michigan drivers are 65 or better. Over 14 percent of the claimants serviced by the Michigan Catastrophic Claims Association are individuals who were 65 years or older at the time of their accident. Seniors are a significant part of the auto insurance market and care must be taken in making changes that would significantly reduce their auto insurance emergent medical and after-care coverage.
- The provision in the bill allowing those 62 and over with retiree health insurance to completely opt out of Personal Injury Protection premiums (and therefore all PIP benefits) is over simplistic, misleading and would leave those choosing it vulnerable to inadequate coverage for serious or catastrophic auto injuries. It would subject them to significant cost sharing and potential medical bankruptcy. More research, information, and analysis is needed on what Medicare offers compared to the proposed \$250,000 and \$500,000 policies proposed in the bill.
- PIP covers much more than emergent medical expenses such as long term care and aftercare special therapies, supports and services. Medicare and Medicare supplement policies or their equivalent have no or limited LTC and aftercare special therapy, supports and services coverage. They often have significant cost sharing for the limited coverage they provide.
- Medicare and Medicare supplement policies or their equivalent are not always legal entitlements guaranteed for life by the federal government or the lucky retiree with employer-provided supplemental retiree health insurance. Employers such as the State of Michigan have ended retiree health care insurance. Additionally, our U.S. Congress is intent on passing budget measures to voucherize Medicare and cut its budget by \$500 billion over 10 years. It also intends to significantly cut Medicaid, the main financing for nursing home or equivalent care for indigent seniors who have exhausted their own financial resources.

We would prefer coordinated health care insurance benefits so that we are not paying twice for the same coverage. That is, primary coverage from Medicare and/or employer-provided retiree health insurance if the retiree has it, then PIP as secondary for remaining additional coverage with, of course, significant PIP premium rate reduction.

We would also like to see coordinated benefits if the retiree has Long Term Care insurance with a commensurate PIP premium rate reduction. Quite a few seniors have LTC policies as they

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anticipate potential costs associated with declining health and the need for assistance with daily living.

Thank you for working toward auto insurance reform. Please work together to address the concerns we have raised above.

Sincerely,

Mary Pollock

Legislative Representative on behalf of

Bob Kopasz, Michigan SERA Coordinating Council Chair

Michigan State Employee Retirees Association

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