



Insurance Institute
of Michigan

Testimony of Dyck Van Koevering, General Counsel

Insurance Institute of Michigan

OCTOBER 6, 2015

GOOD MORNING AND THANK YOU FOR THE OPPORTUNITY
TO COMMENT ON HOUSE BILLS 4426 AND 4427.

MY NAME IS DYCK VAN KOEVERING, AND I AM GENERAL
COUNSEL FOR THE INSURANCE INSTITUTE OF MICHIGAN.

THE INSURANCE INSTITUTE OF MICHIGAN IS THE STATE'S
LARGEST PROPERTY/CASUALTY INSURANCE ASSOCIATION.
IIM MEMBERS WRITE OVER 75 PERCENT OF THE PERSONAL
AUTO MARKET IN MICHIGAN.

HOUSE BILLS 4426 AND 4427 PROPOSE TO ELIMINATE THE
ASSESSMENT AND RECORDING OF CERTAIN SPEED LIMIT
VIOLATIONS AND WHAT ARE CALLED "INSURANCE
ELIGIBILITY POINTS" UNDER THE MICHIGAN INSURANCE
CODE. THESE POINTS ARE ASSESSED FOR THE CONVICTION,
DETERMINATION OF RESPONSIBILITY FOR CIVIL
INFRACTIONS, OR FINDINGS OF RESPONSIBILITY IN
PROBATE COURT FOR A VIOLATION OF ANY LAWFUL SPEED
LIMIT OF LESS THAN SIX MILES PER HOUR OVER THE
POSTED SPEED.

AS YOU MAY KNOW, UNDER MICHIGAN LAW, MOST
DRIVERS ARE CONSIDERED "ELIGIBLE PERSONS" FOR
PURPOSES OF AUTOMOBILE INSURANCE AND EACH INSURER
IS REQUIRED TO INSURE THOSE INDIVIDUALS. THE LAW IS
VERY SPECIFIC ABOUT WHO IS ELIGIBLE, AND WHO IS
DISQUALIFIED FROM THIS COVERAGE MANDATE.

ONE OF THE REASONS A DRIVER IS NOT AUTOMATICALLY ELIGIBLE FOR INSURANCE IS IF THE PERSON HAS ACCUMULATED MORE THAN 6 INSURANCE ELIGIBILITY POINTS IN THE PRECEDING THREE YEARS.

BY AUTOMATICALLY WAIVING THESE POINTS FOR LOWER LEVEL SPEEDING VIOLATIONS, WE ARE DILUTING THE VALUE OF A DRIVING RECORD AS AN ACCURATE MEASURE OF AN INSURANCE RISK. AND IF WE CANNOT MEASURE RISK ACCURATELY, WE CANNOT PRICE THE RISK ACCURATELY, RESULTING IN GOOD DRIVERS SUBSIDIZING BAD DRIVERS.

MICHIGAN DRIVERS ALREADY HAVE THE OPTION OF WAIVING MINOR MOVING VIOLATION POINTS BY TAKING DRIVER IMPROVEMENT CLASSES.

MEMBERS MAY HAVE.
TRY AND ANSWER ANY QUESTIONS THE COMMITTEE
THANK YOU. AND MR. CHAIRMAN, I WOULD BE HAPPY TO

CONTINUED DISCUSSION ON THIS LEGISLATION.
AND WE APPRECIATE YOUR TIME. WE LOOK FORWARD TO
BILL SPONSORS AND STAFF TO EXPRESS OUR CONCERNS,
AND MANY MEMBERS OF THIS COMMITTEE, AS WELL AS
OVER THE PAST WEEK, WE HAVE MET WITH THE CHAIRMAN

BILLS 4426 AND 4427.
MICHIGAN STRONGLY OPPOSES THE PASSAGE OF HOUSE
FOR THESE REASONS THE INSURANCE INSTITUTE OF

WHO FOLLOW THE RULES.
CROSS-SUBSIDIZATION OF BAD DRIVERS BY THOSE DRIVERS
HOUSE BILLS 4426 AND 4427 SIMPLY FURTHER FORCES THE