

**Written Testimony of United Way for Southeastern Michigan  
Regarding HB 5013-Revisions to no-fault auto insurance, October 3, 2017**

**Submitted to the House Insurance Committee by:  
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**LIVE UNITED**



United Way  
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Thank you for this opportunity to provide comment regarding proposed changes to our state's auto insurance laws and the impact any such changes could and should have on people in our community.

At United Way for Southeastern Michigan we are committed to helping families across the region achieve financial stability. To this end, we maintain a broad portfolio of work focused on advancing quality education, good health, and economic prosperity for all.

While we are not experts on auto insurance, we do know a lot about the families and communities we serve throughout Oakland, Wayne and Macomb counties. We know that the lack of a comprehensive regional transit system in Southeastern Michigan means we are all dependent on cars to get to work, to get school, and to access medical care. We know that people in the City of Detroit and many surrounding communities are paying astronomical rates for state-required auto insurance, and we know that this expense presents a significant financial hardship for many working families. Like all of you, we recognize that something must be done to address this problem in a way that lowers costs while safeguarding the scope of coverage and quality of care that any of us would need should the worst happen to us behind the wheel.

As part of our economic prosperity work, United Way sponsors Community Financial Centers and Centers for Working Families throughout the region. Over the last eight years, this network of community-based centers has helped nearly 10,000 families take measurable strides toward financial stability. These centers provide financial literacy classes, household budgeting tools, career development supports, and one on one financial coaching while collecting data to track the participants' financial progress. This data shows that even though many families see measurable improvement in their overall financial situation, auto insurance remains a disproportionate drain on household budgets. Many of the families we've worked with pay rates that amount to more than 12% of their monthly income. Because of this expense, many simply choose to drive without it.

The need to address this issue is also evident in data from our 2-1-1 information and referral service. This toll-free line which connects people in need to thousands of support services throughout the region has, in the last twelve months in our region alone, received over 3,400 calls from individuals looking for transportation support. That's nearly 10 calls a day from individuals who are just trying to get to where they need to be to provide for themselves and their families. While car insurance rates may not be the driving factor in each of these cases, it is no doubt a significant issue for many of those seeking help.

Again, we are not experts on auto insurance. But from our vantage point in the community, the need to reign in insurance rates via policy changes which create a more equitable and accessible system is clear. Although we are not prepared to take a position on the bill before you today, we applaud Mayor Duggan, Speaker Leonard, and this committee for kicking off this important conversation.

As always, United Way for Southeastern Michigan stands ready to partner with you and your colleagues, as well as the other stakeholders here today to identify policies that work in the best interest of all in our community.

Thank you for your consideration of our comments on this matter and for your continued commitment to the betterment of our state.