

Timothy F. Hoste
14323 East 11 Mile Road
Warren, MI 48088

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The Honorable State Representative Lana Theis
N-891 House Office Building
Lansing, MI 48933

State Representative Theis,

As we embark upon another attempt at reforming Michigan Auto No-Fault, I would like to draw your attention to some significant factors that lead to high auto insurance premiums in this great State. I feel it is of the utmost importance that this information is considered when discussing reform options. Failing to address these factors will only lead to an auto insurance system that has Michiganders still paying high insurance rates, yet only receiving the skeletal remains of what once was the best auto insurance coverage in the nation.

- 29% of Michigan residents pay higher auto insurance premiums simply because they rent, instead of own their home.ⁱ
- 73.1% of Michiganders pay higher auto insurance premiums because they do not have a bachelors degree or higher level of education.ⁱⁱ
- 50.8% of Michigan's population will pay more for their auto insurance because they are female.ⁱⁱⁱ
- 59% of Michigan workers pay more for auto insurance because of their job title.^{iv}
- Four of the top 15 cities in America that have the worst average credit score are located in southeast Michigan (4. Highland Park, 6. Inkster, 8. Detroit, 13. Pontiac.) This means that residents of these cities pay a higher auto insurance premium because of their low credit rating.^v

The facts listed above are only a sampling of the many redlining factors that auto insurers use when calculating the premiums for Michigan drivers. HB 5013 does nothing to address any of these non-driving rating factors. Michigan drivers should have lower auto insurance premiums, but more so, they deserve auto insurance rates based solely on their driving record. Until these rating factors are no longer permitted to be used, Michigan drivers will never see meaningful rate reduction. It is imperative that we truly look at the real reasons for our high rates and not implement damaging reforms that only cause further hardship for victims of auto accidents.

Sincerely,



Timothy F. Hoste

ⁱ www.census.gov United States Census Bureau. Quick Facts: Michigan - Housing. 2016

ⁱⁱ www.census.gov United States Census Bureau. Quick Facts: Michigan - Education 2016

ⁱⁱⁱ www.census.gov United States Census Bureau. Quick Facts: Michigan - General Information Age/Sex. 2016

^{iv} www.kff.org Distribution of non-elderly adult workers (19-64) by occupational category. 2016

^v www.lendedu.com U.S. cities with the best and worst credit score. April, 2017