

STATE SENATOR • GLENN S. ANDERSON • 6TH DISTRICT

Anderson Press Release

P.O. Box 30036 • Lansing • Michigan • 48909-7536 • 517-373-1707 • Fax: 517-373-3935
E-mail: senatoranderson@senate.mi.gov • www.senate.mi.gov/anderson



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Contact: Joshua Brandt
Phone: (517) 373-1707

Anderson Urges Reform of Michigan Catastrophic Claim Association *Bill Would Increase Transparency, Accountability, and Public Input*

LANSING-In reaction to the Michigan Catastrophic Claim Association's (MCCA) decision to impose a 20% increase on the catastrophic claim fee paid by Michigan drivers, State Senator Glenn S. Anderson called on the Senate to consider legislation that would reform the MCCA.

"This is a significant increase that comes at a difficult time for the many Michigan workers who depend on their ability to drive to and from work each day," said Anderson. "Perhaps the increase is justified. Unfortunately, it is almost impossible to make that judgment given the absolute lack of transparency and accountability under current law regulating the MCCA."

Earlier this year, Sen. Anderson introduced Senate Bill 161. The legislation would reform the Michigan Catastrophic Claims Association in the following ways:

- End the practice of meeting behind closed doors without requirement to make proceedings open to the public by making the proceedings of the group subject to the Freedom of Information Act and creating a transparent process.
- End the insurance companies' monopoly on the decision making body by expanding the group from five to six voting members. The new member would act as a representative and advocate for the general public.
- Make the Michigan Insurance Commissioner a full voting member.
- Establish additional oversight by requiring an annual independent audit of the association and the results of that audit to be reported to the Michigan State House and Michigan State Senate.
- Accountability would be restored by making decisions to raise rates subject to the approval of the Commissioner of the Office of Financial and Insurance Regulation and allowing for the rejection of increases deemed to be excessive.

"The Michigan Catastrophic Claims Association is crying out for reform. The time has come for us to consider this legislation and allow some light to be shed on the process. Lets give the citizens of Michigan a voice," said Sen. Anderson.

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Editor's Note: You can view a video of Sen. Anderson's statement on this issue given on the Senate floor today at:

http://www.youtube.com/watch?v=YrxzUhbv_gQ.

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