

Helping You Understand The MCCA

What is the MCCA and why does it exist?

The Michigan Catastrophic Claims Association (MCCA) is a non-profit association established in 1978 by the Michigan Legislature. At present, the MCCA pays for all medical expenses for people with auto-related medical injuries that exceed \$480,000 (effective July of 2010). This state mandated law requires the MCCA to assess insurance companies an annual fee on each registered automobile and motorcycle the company insures in Michigan.

What is the current MCCA Assessment?

In July of 2010, the MCCA Board approved an annual assessment of \$143 per vehicle (an increase of \$18 from the previous year). This assessment is incorporated in the rates policyholders pay for their auto insurance. The MCCA paid out \$811 million in 2009 for claims resulting from catastrophic injuries motorists suffered in automobile accidents. Since 1979, there have been over 24,500 reported claims, which will cost an estimated \$71 billion.

Can I decline coverage from the MCCA in my auto insurance policy?

No! Every licensed driver in the state of Michigan has unlimited medical coverage, as part of the state's No-Fault Law. The MCCA (mandated by state law) is the organization that collects funds needed to pay for unlimited medical and rehabilitation expenses. **(Note) It is worth noting that twice during the past decade, Michigan voters have rejected ballot proposals to eliminate mandatory unlimited medical coverage that would have allowed consumers the right to select the amount of medical coverage they desired.*

Do Michigan motorists pay too much for auto insurance?

While the average auto insurance premium is slightly above than the national average, Michigan drivers enjoy the most comprehensive medical benefit package in the nation. No other state comes close to matching Michigan's No-Fault Law medical compensation for injured motorists. It is important to remember that no state has a more generous benefit package than does Michigan. Our state is the only one in the nation to provide unlimited medical and rehabilitation benefits for life (which is paid for through MCCA assessments). Consumer Reports Magazine has repeatedly hailed Michigan's No-Fault Insurance Law as the nation's best, saying *"The most successful no-fault law is in Michigan.... it puts more dollars into the hands of injured people and fewer in the pockets of attorneys."*