

**DEPARTMENT OF ENERGY, LABOR AND ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**UNINSURED AND UNDERINSURED MOTORIST BENEFITS  
NOTICE OF PUBLIC HEARING**

**September 29, 2009**

**Cadillac Place**

**3044 West Grand Boulevard**

**Detroit, Michigan**

**West End Conference Room L-150 – 9 a.m.**

Ken Ross, Commissioner of the Office of Financial and Insurance Regulation (OFIR) will hold a public hearing on September 29, 2009, Cadillac Place, 3044 West Grand Boulevard, Detroit, Michigan 48202, in the West End Conference Room L-150 starting at 9:00 a.m. The hearing will be held to gather information and to receive comment on uninsured and/or underinsured (UM/UIM) motorist coverage.

Under Michigan's No-Fault law, car owners and drivers must purchase automobile insurance and, in case of an accident, their own insurance company will pay all reasonable expenses for injuries and for up to three years of lost work income. Some types of damages are not covered, such as pain and suffering; but in limited circumstances, the injured person may bring a lawsuit to recover damages against the other, at-fault driver.

However, if the at-fault driver is uninsured or does not have enough insurance, the injured person is not likely to recover anything in a law suit. That is why many insurance companies now offer Uninsured Motorist (UM) or Underinsured Motorist (UIM) coverage by rider to the basic no-fault policy. With this coverage, the policyholder may look to his or her own insurance company for coverage of additional losses.

In recent years, OFIR has received several complaints about problems encountered by injured persons who try to recover benefits under their UM or UIM policy riders. In order to better understand the issues and problems that surround UM and UIM insurance, OFIR has scheduled a public hearing to take testimony and gather exhibits. OFIR invites all persons who may have been affected by UM or UIM issues, as well as those who have specialized knowledge of the issues and other interested parties to share their knowledge and understanding on the following issues and others:

1. Misleading or deceptive UM/UIM endorsements or riders.
2. Unreasonable restrictions or exclusions from coverage.
3. Any experience with an UM/UIM claim fully or partially denied by an insurer.
4. Unreasonable time limitations for filing an UM/UIM claim.
5. A requirement that the insured must file suit and receive payment from the at-fault driver and/or other sources before making an UM/UIM claim or before filing suit against the UM/UIM insurer.

6. A requirement that UM/UIM benefits be reduced or excluded because of benefits received from other sources such as personal injury protection (PIP), liability or health coverage, workers' compensation, or governmental benefits.
7. A requirement that UN/UIM benefits be offset for unlike types of damages. For example, is an economic benefit such as worker's compensation an offset against a non-economic loss such as pain and suffering? Are there any types of damages that should not be offset against or excluded from UM/UIM benefits?
8. UM/UIM clauses limiting coverage to persons occupying vehicles and pedestrians, thereby excluding children on bicycles or scooters or anyone else hit by a vehicle while not walking or riding in a vehicle. *Cole v Auto-Owners*, 272 Mich App 50 (2006), and *Walworth v Auto-Owners*, unpublished, issued 10-3-2006, involved injured cyclists excluded from UN/UIM coverage because they were "not pedestrians."

The Commissioner is requesting comment from individuals, public interest groups, consumer advocacy groups such as the American Association of Retired Persons (AARP) Michigan, Public Interest Research Group in Michigan (PIRGIM), Consumers Federation of America, Michigan Association for Justice, from Michigan insurers, and from any other person with information regarding the cost or coverage actually provided by Michigan insurers selling uninsured or underinsured coverage. In all responses, where applicable, please include a copy of the UM/UIM endorsement or rider being referenced.

The Commissioner will use the information gathered at this hearing and electronically with information from other sources to determine whether problems in this market warrant administrative rules, other regulatory action, or a request to the Legislature to address uninsured or underinsured issues.

This public hearing is being held by the authority conferred on the Commissioner of the Office of Financial and Insurance Regulation by Administrative Rules R 500.2139, R 500.2140, R 500.2141.

Notice of this Public Hearing will be published on the OFIR web site at <http://www.michigan.gov/OFIR> and will be published in the September 1, 2009, issue of the *Michigan Register*. Comments may be submitted to the following address by 5:00 P.M. on Monday, October, 5, 2009.

Office of Financial and Insurance Regulation  
Office of General Counsel  
Department of Energy, Labor and Economic Growth  
P.O. Box 30220  
Lansing MI 48909-7720

Phone: Dawn Kobus at 517-373-0435, FAX: 517-335-3157, E-Mail: [Kobusd@michigan.gov](mailto:Kobusd@michigan.gov)

The hearing site is accessible, including handicapped parking. Individuals attending the hearing are requested to refrain from using heavily scented personal care products, in order to enhance accessibility for everyone. People with disabilities requiring additional accommodations such as information in alternative formats in order to participate in the hearing should contact Dawn Kobus at least 14 working days before the hearing.