

Since I got my first car in August of 1997 I had been using AAA of Michigan (American Automobile Association) for my auto insurance. I've had some issues with them from 2008 to 2012. They used a credit score to tabulate my rates that continued to increase. I've written complaints to AAA about it but nothing worked. I've written a letter to Lansing about it which failed. It was 8/24/2012 when two tires were stolen from my personal vehicle, my 2010 Ford Focus, while I was at work. The car was taken to Belle Tire to have those tires replaced. The whole thing cost me \$596.35 which included a \$550.00 deductible. Several days after the theft occurred, an adjuster came for an investigation. I received \$46.35. I would later receive something in the mail about lower insurance cost from Ameriprise (now called Connect by American Family). When my insurance was about to be renewed with AAA of Michigan, I realized that I would be paying about \$330.00 per month. I called my insurance agent saying that it was too expensive. She then did some adjusting and called back with a price of about \$280.00 per month if I would pay a deductible of \$550.00 for hospitalization. I would think it over. This turned out to be the "coup de gras". I severed my tires with AAA of Michigan.

Michigan Senate Bill 782 is the No-Fault Insurance Act and was passed in 1972 where the purpose was to reform the automobile insurance system and address issues in the tort liability system because those who were seriously injured in car accidents were paid less or weren't even paid at all. It became law on 10/1/1973. Here's the problem, however, with no-fault insurance: Everyone, including the victims, pays a high deductible. It's that way to keep rates from increasing. No-fault insurance benefits those who cause the accidents and those who commit crimes against people. Should the victim take the culprit to court, the defendant will attempt various measures to avoid the consequences. The victim will end up paying higher routine premiums when the smoke clears.

The use of a credit score is a way for the insurance provider to make money. There are people who rely on government assistance (Unemployment benefits, welfare, and social security). There are those who are working at or below the poverty level who rely on a vehicle to get to and from work, school, doctor appointments, and other routine necessities like grocery shopping. They're trying to make ends meet and follow the law. Those who don't have auto insurance are causing those who do have it to pay more on their premiums in order for the insurance provider to make money.

Another issue with auto insurance is that if coverage is for one year, there's one month when a payment is not needed. This results in a higher premium for eleven of the twelve months.

How can this problem be solved? Here's something that can reform and even simplify auto insurance.

First: Michigan needs to eliminate "No-Fault Insurance". The reason is very simple: Victims should not pay deductibles.

Second: Auto insurance premiums should be regulated. The first step is to completely eliminate and outlaw the use of a credit score to tabulate premiums. The monthly premiums should be based on monthly gross income from full-time employment and driving record (the insurance provider should be able to access the driving record for the customer). If the coverage should be for twelve months, the customer should pay for twelve months.

The monthly premiums should be capped at 10% of monthly gross income from full-time employment. If the customer should lose his/her employment or is reduced to part-time, he/she should be mandated to contact the insurance provider to make arrangements for reduced premiums or should terminate coverage and stop driving since it's the law to possess auto insurance.

There should be discounts ranging from 1% to 5% for an audible car alarm, wearing seat belts, having air bags, and health/medical insurance.

If the policy holder should have no citations or accidents and should pay his/her premiums on schedule or earlier including using auto bill pay during the coverage year, the premiums should be reduced upon renewal by 5% for the first renewal, 6% for the second renewal, and so up to 10% for the sixth renewal and beyond.

The premiums should increase by 25% for the remainder of the coverage period if the policy holder should cause an accident, commit a traffic or parking violation, or fail to pay a premium. A final warning should be issued after two mistakes. The coverage should be terminated if three mistakes are made. The policy holder should then be required to stop driving.

If premiums should increase unjustly, a complaint should be filed. The provider should remedy the situation by either refunding five to ten times the difference or put it towards a subsequent payment. If that fails, a complaint should be filed with an external party and he/she should exercise the right to find insurance elsewhere. The provider should be subjected to reprimands & fines, termination of employees, a closing of the business, and should face criminal and civil penalties.

Like everything else that we buy, customers should have the right to shop around and choose the best deal on auto insurance. They need to ask questions about the coverage and should consider the premiums. They also should know the law. Insurance providers should put the customers and reward good driving habits.