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Ca. 5/17/78

THE WHITE HOUSE
WASHINGTON

TO: JIM CANNON

FROM: MIKE DUVAL

For your information _____



Comments:

Re: No-Fault

Attached is a copy of the state activity summary I prepared and the back-up material.

The summary will be in the President's decision memo. I am sending this detailed package to you in response to your comments this morning.

Mike

Status of State Action on No-Fault Auto Insurance

Sixteen states, plus Puerto Rico, have enacted no-fault automobile insurance laws that meet the tough definition adopted by the Department of Transportation.

To qualify under the Department's definition of no-fault, the state law must have two essential elements: (1) the substitution (not simply the addition of) "first party, no-fault"* insurance for third party liability insurance; (2) some significant degree of restriction on tort recovery.

The following have such a law:

Puerto Rico	(1969)
Massachusetts	(1970)
Florida	(1971)
New Jersey	(1972)
Michigan	(1972)
Connecticut	(1972)
New York	(1973)
Utah	(1973)
Kansas	(1973)
Nevada	(1973)
Hawaii	(1973)
Colorado	(1973)
Georgia	(1974)
Minnesota	(1974)
Kentucky	(1974)
Pennsylvania	(1974)
North Dakota	(1975)

There are, however, vast differences among the laws adopted in the above states in terms of benefit levels, tort threshold and other factors.

These laws cover over 42% of all licensed drivers and will rise to well over 50% if California passes a no-fault law. However, only the Michigan law (covering 5.7% of drivers) conforms with all the standards in the DOT proposed federal law.

Nine other states have adopted auto insurance reform, which are sometimes called "no-fault". In some cases, these plans require that first party insurance be carried by drivers in addition to

* "First party" means that there should be a contractual relationship between the victim and his insurer as to the kind and amount of benefits to be received. "No-fault" means that the loss is not to be shifted by inter-insurer subrogation according to the existing loss transfer rules of tort liability.

liability insurance and in other cases the law simply provides that no-fault be offered to the driver at his option. None of the plans restrict the right to sue and in most cases there is no restriction against the victim collecting from both his own first party insurance and the party at fault by suing in court. The following states fall into this category:

Delaware	(1971)
Oregon	(1971)
South Dakota	(1971)
Maryland	(1972)
Virginia	(1972)
Wisconsin	(1972)
Arkansas	(1973)
Texas	(1973)
South Carolina	(1974)

Outlook

Every State legislature has had no-fault reform before it at least once. Illinois enacted a no-fault law in 1971, but that was later declared unconstitutional. A no-fault law was passed by the legislature in New Hampshire but was vetoed by the Governor.

Most states not having no-fault will consider proposals during this year's legislative session. Maine and North Carolina may pass no-fault laws this year but it is not likely that they will meet the DOT standards.

California is the key state in terms of the number of licensed drivers covered and there is likelihood that action by California would set a trend. Many other western states would be likely to follow California's lead if action is taken. Due to a change in the leadership in the California legislature the no-fault bills are moving slowly but nevertheless there is movement and considerable behind the scenes activity. No one can predict when California will act but the prospects for action this year are good.



OFFICE OF THE SECRETARY OF TRANSPORTATION
WASHINGTON, D.C. 20590

April 30, 1975

MEMORANDUM FOR MICHAEL RAOUL-DUVAL
Associate Director, Domestic Council
The White House

SUBJECT: No-Fault Insurance

Pursuant to your inquiry earlier today about the proportion of drivers covered within the 16 States having some form of true first party no-fault plan, I thought the attached detail might be helpful to you. The point of the categorization in the table is to highlight the fact that many of the States which do have such plans fall woefully short of what the Administration was looking for when it made its recommendations in 1971.

A handwritten signature in cursive script, appearing to read "R. F. Walsh", is centered on the page.

Richard F. Walsh
Acting Director

Office of Transportation Policy Development

Attachment:
as noted above

cc: William T. Coleman, Jr.
John W. Barnum

Analysis of No-Fault Auto Coverage by State
and By Percent of All U. S. Drivers Covered

	<u>Percent of All U. S. Drivers Covered (%)</u>
<u>States Meeting DOT Standards</u>	
Michigan	<u>5.7%</u>
 <u>Other States With Relatively High Benefit Levels (i. e., more than \$10,000 per person)</u>	
Colorado	1.0%
Hawaii	.4
Minneapolis	1.9
Nevada	.3
New Jersey	4.1
New York	9.2
Pennsylvania	6.0
Subtotal*	<u>22.6%</u>
 <u>States With Low Benefit Levels (i. e., \$10,000 or less per person)</u>	
Florida	4.3%
Kansas	1.0
North Dakota	.3
Utah	.4
Connecticut	1.6
Georgia	2.2
Massachusetts	2.9
Kentucky	1.2
Subtotal*	<u>13.7%</u>
 Grand Total	 <u>42.0%</u>



*Note: Detail may not add to totals due to rounding.

(1)

NO-FAULT AUTOMOBILE INSURANCE

State-By-State Analysis

Originally appearing as a controversial theory to correct the inequities of the traditional automobile reparations system, no-fault Automobile insurance, in one form or another, has become law in 23 states. The impetus for such legislation originated at the Federal level, with recommendations that the individual states enact their own laws. Massachusetts, the pioneer state, enacted the first such law in January, 1971 and, ever since, the concept has dominated insurance conversation and served as a chief subject of state legislation. But in spite of the sustained momentum, today, fewer than half* the states have passed no-fault Automobile insurance laws. As a consequence, attention is once again focused on Congress where Federal Bill S. 354 — which imposes Federal guidelines on the states and requires that no-fault legislation be enacted which complies with these guidelines — recently cleared the Senate. If ultimately signed into law, this Bill will give the states four years from the date of its enactment to pass complying no-fault legislation.

Though some still question the advantages no-fault Automobile insurance has over the traditional fault system, both insurers and consumers are responding favorably to the partial elimination of the "adversary relationship," which is achieved in most no-fault laws. Proponents of the no-fault system believe it to be far superior than the traditional reparations system in the fairness and speed in which it compensates the automobile accident victim — *on a first-party basis rather than on a third-party basis.*

The following pages represent an effort to analyze these laws on a state-by-state basis. Initially, the presentation of a state-by-state *chart* provides a quick, general reference to the various laws but additional pages will soon be presented for a more in-depth study of this insurance.

In view of the ever-changing nature of the insurance business — to which no-fault is no exception — a major effort will be made to keep the discussion up to date with timely and necessary revisions as they are warranted. Finally, a section on *court decisions* affecting no-fault insurance will be included to round out the discussion and signal any particular trends in court interpretation which may be developing.

In the following pages, two analysis charts are presented. The first concentrates on the 15 states which have enacted what are considered *modified* no-fault laws in that they *partially* eliminate the right to sue, but do not completely abrogate it. The second chart is comprised of the states which provide what is more accurately described as expanded Medical Payments and Disability Benefits plans. No-fault benefits are made available as additional first-party coverage, but there are no restrictions on the right to sue.

*Though fewer than half the states have enacted no-fault laws, the percentage of the population affected is estimated to be slightly above 50%.

(Continued on next page.)



State-By-State Modified No-Fault Laws

State	Effective Date	Vehicles Included	Basic Coverage
Colorado	4/1/74	All except vehicles owned by the Federal government or state of Colorado; fire fighting vehicles, police ambulances and certain farm and construction machinery and equipment. Additionally, motorcycles, motorscooters, minibikes and snowmobiles are not considered motor vehicles and thus not subject to the law.	\$25,000 medical; \$25,000 rehabilitation; 100% of first \$125 gross income up to one year; \$15 a day for essential services up to one year; no coverage for funeral expenses but survivors' benefits of \$1,000 are covered. Income benefits are not paid in the event of death. (Options for higher coverage and a \$100 deductible are available.) No provision for Property Damage coverage.
Connecticut	1/1/73	Private passenger vehicles.	\$5,000 aggregate, inclusive of medical and hospital expenses; 85% loss of income up to \$200 a week; essential services coverage with no particular limitation other than the \$5,000 aggregate; \$2,000 funeral expenses; survivors' benefits. (Options for higher coverage are available.) No provision for Property Damage coverage.



Modified No-Fault Laws

Limitation on Right to Sue	Remarks
<p>Suit barred unless injury results in death, dismemberment, permanent disability or permanent disfigurement or unless expenses for medical and rehabilitation services exceed a <i>reasonable value</i> of \$500 or if lost earnings exceed one year. If expenses for any of the specific first party coverages exceed the benefits provided by law, the injured person may sue for the excess. Additionally, suit may be brought against the owner of a vehicle not subject to the law (motorcycle) or against a motorist who has failed to insure his vehicle. Finally, suit may be brought against a person who intentionally causes injury or against a manufacturer, distributor, etc., when an automobile accident arises out of a product defect for which they are responsible.</p>	<p>Benefits recoverable under no-fault coverage are reduced by benefits payable under Workmen's Compensation insurance. No-fault benefits are primary over Health insurance. No-fault benefits follow an insured wherever he drives in United States or Canada and nonresidents driving in Colorado must have coverage at least as extensive as the minimum provided by the Colorado law. Most insurance policies will provide this coverage for nonresidents.*</p>
<p>Suit barred unless injury results in death, permanent injury, fracture of a bone, permanent loss of a significant body function, loss of a body member or unless medical, rehabilitation or funeral expenses exceed \$400.</p>	<p>Benefits recoverable under no-fault coverage are reduced by benefits payable under Workmen's Compensation insurance. Law substituted comparative negligence for contributory negligence. Nonresidents driving in Connecticut automatically have the coverage of the Connecticut law.</p>

*Whether nonresidents—who are injured while driving outside their home state—are covered under the other state's no-fault law is an issue which many states have resolved. This is accomplished by requiring that all insurers authorized to write insurance in the no-fault state, stipulate that every policy the insurer writes—regardless of where it is issued—provide the coverage required by the no-fault state when a nonresident vehicle is in that state.



State-By-State Modified No-Fault Laws

State	Effective Date	Vehicles Included	Basic Coverage
Florida*	1/1/72	Private passenger vehicles.	\$5,000 maximum for medical expense; 85% loss of income; essential services reimbursement; \$1,000 funeral expenses. (Optional deductibles available.) Property Damage provision declared unconstitutional in July, 1973.
Georgia	3/1/75	All motor vehicles except motorcycles.	\$5,000 aggregate including \$2,500 medical; 85% loss of income up to \$200 a week; essential services coverage not to exceed \$20 a day; \$1,500 maximum (subject to the \$5,000 aggregate) for funeral expenses. (Options for higher coverage available.) No provision for Property Damage coverage.

*Florida's supreme court recently upheld the constitutionality of the Bodily Injury section of the law and at the same time strengthened its bar against tort liability actions. The court erased a provision in the law which allowed suit if an accident resulted in permanent disfigurement, permanent injury, fracture of a weight bearing bone, loss of body function or death. Now, only if injury results in death or if medical expenses exceed \$1,000 can the injured person resort to the use of tort liability.



Modified No-Fault Laws

Limitation on Right to Sue	Remarks
<p>Suit barred unless injury results in death, or if medical expenses exceed \$1,000.</p>	<p>No-fault benefits are excess over any amount paid under Workmen's Compensation insurance. No-fault coverage follows an insured wherever he drives. Nonresidents, unless passengers in an insured vehicle, are not provided coverage, unless their insurers provide automatic no-fault coverage when vehicle is in a no-fault state. (Otherwise, after 90 days, motorist must obtain coverage.)</p>
<p>Suit barred unless injury results in death, disfigurement, permanent disability, dismemberment, any bone fracture or unless medical expenses exceed \$500 or temporary disability exceeds 10 consecutive days.</p>	<p>No-fault benefits are <i>not</i> reduced by any Workmen's Compensation, Disability, hospitalization or wage loss benefits the insured is entitled to receive. Medical Payments and Uninsured Motorists coverages are <i>excess</i> over no-fault coverage.</p>

(Continued on next page.)



State-By-State Modified No-Fault Laws

State	Effective Date	Vehicles Included	Basic Coverage
Hawaii	9/1/74	All motor vehicles <i>including</i> motorcycles.	\$15,000 aggregate including medical and rehabilitation expenses; up to \$800 a month for loss of income; up to \$800 a month for essential services and survivors' loss; \$1,500 funeral expense. (Optional deductibles available.) No provision for Property Damage coverage.
Kansas*	1/1/74	Private passenger vehicles and commercial vehicles which do not have a K.C.C. permit. Motorcycles are optional.	\$2,000 medical expense; \$2,000 rehabilitation expense; 100% loss of income up to \$650 a month (85% if not subject to Federal income tax) subject to a one year time limit; \$12 a day for essential services incurred during the lifetime of the injured person but not to exceed 365 days after the date of the first expense; survivors' benefits not to exceed \$650 a month for one year less the number of months the decedent received work loss benefits prior to death; \$1,000 funeral expenses. (Options for higher coverage available.) No provision for Property Damage coverage.

*The original Kansas no-fault law was declared unconstitutional, but shortly afterward, a new law was introduced. On appeal, the Kansas supreme court declared both laws constitutional but cited the new law as the better one.



Modified No-Fault Laws

Limitation on Right to Sue	Remarks
<p>Suit barred unless injury results in death, significant, permanent loss of a body part or function, permanent, serious disfigurement, or if expenses exceed the medical-rehabilitative limit or if maximum first party benefits are exhausted. Also, if medical expenses exceed \$1,500, the injured party may sue. The threshold will be in effect for one year, after which time it will be reviewed.</p>	<p>No-fault benefits primary over Health insurance benefits.</p>
<p>Suit barred unless injury results in death, permanent disfigurement, fracture of a weight bearing bone, compound, comminuted, displaced or compressed fracture, loss of a body member, permanent loss of a body function or unless medical expenses reach or exceed a <i>reasonable value</i> of \$500.</p>	<p>No-fault benefits follow an insure wherever he drives in the United States or Canada and nonresidents driving in Kansas must have insurance which meets the requirements of the Kansas law. (Companies authorized to write insurance in the state must automatically provide that all policies, wherever issued, comply with the Kansas law when the vehicle is in that state.) Benefits received under no-fault are reduced by benefits payable under Workmen's Compensation insurance.</p>

(Continued on next page.)



State-By-State Modified No-Fault Laws

State	Effective Date	Vehicles Included	Basic Coverage
Kentucky*	7/1/75	Private passenger and commercial vehicles.	\$10,000 aggregate including medical expense; loss of income not to exceed \$200 a week; essential services; survivors' benefits; \$1,000 funeral expenses. (Optional deductibles and higher coverage available.) No provision for Property Damage coverage.
Massachusetts	1/1/71	All motor vehicles.	\$2,000 aggregate for medical, hospital and funeral expenses; up to 75% loss of income; essential services expense.

*Kentucky's no-fault law is *optional* in that it can be rejected, in which case, the motorist would resort to the traditional fault system for recovery of medical expenses. In addition, the motorist could take the no-fault coverage without relinquishing the right to sue.



Modified No-Fault Laws

Limitation on Right to Sue	Remarks
<p>Suit barred unless injury results in death, disfigurement, dismemberment, permanent disability, serious bone fracture or unless medical expenses exceed \$1,000. Kentucky's law is optional and insured may purchase basic no-fault benefits and still retain first dollar right to sue.</p>	
<p>Suit barred unless injury results in death, disfigurement, loss of sight or hearing, fracture or unless medical expenses exceed \$500.</p>	<p>Law provides for three Physical Damage options under Property Protection insurance: rejection of coverage; all risks coverage which is comparable to standard Collision coverage; restricted coverage, payable only when the other driver is considered primarily negligent. An amendment to Property Protection insurance, effective January 1, 1974, requires that an insured who elects either the <i>all risks</i> or restricted coverage has the option of recovering full payment without regard to comparative negligence or any deductible, provided that the insured's negligence is 50% or less. Persons entitled to Workmen's Compensation benefits are not entitled to no-fault benefits. Medical Payments and Uninsured Motorists coverage provide protection for out-of-state accidents.</p>

(Continued on next page.)



State-By-State Modified No-Fault Laws

State	Effective Date	Vehicles Included	Basic Coverage
Michigan*	10/1/73	All motor vehicles except two-wheeled motorcycles.	Unlimited medical and rehabilitation expenses; 85% loss of income not to exceed \$1,000 a month for three years; \$20 a day for up to three years for essential services; survivors' benefits not to exceed \$1,000 a month for up to three years; \$1,000 funeral expenses. Combined benefits for income loss, essential services and survivors' benefits are limited to \$36,000 and three years. (Optional deductible available.)
Minnesota	1/1/75	All motor vehicles. Motorcycles are exempt but basic coverage must be offered to the owners of motorcycles.	\$20,000 medical expenses; \$10,000 for other economic loss including; 85% loss of income not to exceed \$200 a week; \$15 a day for essential services; \$1,250 for death benefits. (Optional deductibles available.) No provision for Property Damage coverage.

*A Michigan circuit court recently rendered an opinion that the no-fault law's basic Personal Injury Protection coverage is constitutional. The court did, however, declare six areas of the law unconstitutional, including the property damage section. The opinion is not binding and a judgment on this matter is expected soon.



Modified No-Fault Laws

Limitation on Right to Sue	Remarks
<p>Suit barred unless injury results in death, serious impairment or body function, permanent serious disfigurement or when actual economic loss exceeds the benefits provided by the law. (If expenses exceed \$1,000 a month, injured person can sue to recover the excess.) There is no dollar-amount threshold which is one of the reasons Michigan's law is the most liberal to date.</p>	<p>Property Protection insurance provides a \$1,000,000 limit for damage to a properly parked vehicle or fixed property such as a building. This provision eliminates fault recovery for damage to a vehicle unless it is properly parked. Two variations of standard Collision coverage are offered; a broadened form and a limited form, the latter form applying only when the other driver is at fault. (The Property Damage provision is one of the six areas of the law which is believed to be unconstitutional. See footnote.) Benefits payable by Federal or state laws such as Social Security or Workmen's Compensation insurance are primary and are subtracted from benefits recoverable under the no-fault coverage. Presently, the insured has the option of making his Health insurance primary but duplication of benefits is also permitted. Benefits follow an insured wherever he drives in the United States or Canada and nonresidents driving in Michigan are covered if their insurers have certified that their policies comply with the Michigan law.</p>
<p>Suit barred unless injury results in death, permanent injury or disfigurement, disability of more than 60 days or unless medical expenses exceed \$2,000.</p>	

(Continued on next page.)



State-By-State Modified No-Fault Laws

State	Effective Date	Vehicles Included	Basic Coverage
Nevada	2/1/74	All motor vehicles except motorcycles, government vehicles and vehicles subject to the licensing requirements of the Interstate Highway User Act which are not based in the state. Vehicles owned by persons eligible for Medicare are exempt but basic coverage must be offered to them.	\$10,000 aggregate for medical and rehabilitation expenses; 85% loss of income not to exceed \$175 a week; \$18 a day for up to 104 weeks for essential services (not recoverable if injured person collects loss of income benefits); survivors' benefits of \$5,000 or the amount the insured would have recovered for income loss benefits for one year had he survived, whichever is greater; \$1,000 funeral expenses. (Optional higher coverage and deductibles available.) No provision for Property Damage coverage.
New Jersey	1/1/73	Private passenger vehicles including pick-up, delivery sedan or panel truck type vehicles owned by an individual and not customarily used in the business, profession or occupation of the insured, except in farming operations.	Unlimited medical and hospital expenses; \$100 a week loss of income with a maximum of \$5,200; \$12 a day essential services with a maximum of \$4,380, performed by an injured non-wage earner; \$1,000 funeral expenses. (Optional higher coverage is available.) No provision for Property Damage coverage.



Modified No-Fault Laws

Limitation on Right to Sue	Remarks
<p>Suit barred unless injury results in death, chronic or permanent injury, permanent partial or permanent total disability, disfigurement, more than 180 days of inability to work, fracture of a major bone, dismemberment, permanent loss of a body function or unless medical expenses exceed \$750. Also, when expenses for any one of the benefits provided by the law exceed the individual benefit limit, the injured person may sue for the excess. For example, if an injured person's income loss exceeds the \$175 weekly maximum provided by the law, he can sue for that portion which is not recovered.</p>	<p>No-fault benefits are reduced by benefits payable under Social Security or Workmen's Compensation insurance.</p> <p>Coverage follows the insured wherever he drives in the United States, Canada or Mexico. Nonresidents driving in Nevada are entitled to no-fault benefits if they have a complying policy in effect.</p>
<p>Suit barred unless injury results in death, permanent, significant disfigurement, permanent loss of any body function, loss of a body member or unless medical expenses — for <i>actual treatment only</i> — exceed \$200 (exclusive of hospital expenses, x-rays and other diagnostic expenses).</p>	<p>Benefits received under Workmen's Compensation laws, Disability Benefits statutes or Medicare are deducted from no-fault recoveries.</p> <p>Benefits follow the insurer wherever he drives in the United States or Canada but nonresidents driving in New Jersey are not entitled to no-fault benefits under the New Jersey law.</p>

(Continued on next page.)



State-By-State Modified No-Fault Laws

State	Effective Date	Vehicles Included	Basic Coverage
New York	2/1/74	All motor vehicles, including fire and police vehicles but excluding motorcycles.	\$50,000 aggregate for medical, hospital and rehabilitation expenses (funeral expenses not included); up to \$1,000 a month loss of income for as long as three years; after a 20% reduction to reflect income tax, the most an injured person can collect is \$800 a month; \$25 a day for one year for essential services. (Options for higher coverage, including funeral expenses, out-of-state coverage and a family deductible are available.) No provision for Property Damage coverage.
Pennsylvania	7/19/75	All motor vehicles. Owners of motorcycles required to carry Automobile Liability insurance and contribute to assigned claims plan. No-fault benefits do not apply, but motorcycle owner retains first-dollar right to sue.	Unlimited medical expenses; \$15,000 loss of income. No provision for Property Damage coverage.
Utah	1/1/74	All motor vehicles except motorcycles.	\$2,000 medical expenses; 85% of loss of income not to exceed \$150 a week for as long as 52 weeks (payments subject to a three day waiting period unless inability to work exceeds 14 days at which time the waiting period is eliminated); \$12 a day for essential services; \$1,000 funeral expenses; \$2,000 survivors' benefits. (Options for higher coverage and deductibles are available.) No provision for Property Damage coverage.



State-By-State Modified No-Fault Laws

State	Effective Date	Vehicles Included	Basic Coverage
New York	2/1/74	All motor vehicles, including fire and police vehicles but excluding motorcycles.	\$50,000 aggregate for medical, hospital and rehabilitation expenses (funeral expenses not included); up to \$1,000 a month loss of income for as long as three years; after a 20% reduction to reflect income tax, the most an injured person can collect is \$800 a month; \$25 a day for one year for essential services. (Options for higher coverage, including funeral expenses, out-of-state coverage and a family deductible are available.) No provision for Property Damage coverage.
Pennsylvania	7/19/75	All motor vehicles. Owners of motorcycles required to carry Automobile Liability insurance and contribute to assigned claims plan. No-fault benefits do not apply, but motorcycle owner retains first-dollar right to sue.	Unlimited medical expenses; \$15,000 loss of income. No provision for Property Damage coverage.
Utah	1/1/74	All motor vehicles except motorcycles.	\$2,000 medical expenses; 85% of loss of income not to exceed \$150 a week for as long as 52 weeks (payments subject to a three day waiting period unless inability to work exceeds 14 days at which time the waiting period is eliminated); \$12 a day for essential services; \$1,000 funeral expenses; \$2,000 survivors' benefits. (Options for higher coverage and deductibles are available.) No provision for Property Damage coverage.



State-By-State Modified No-Fault Laws

State	Effective Date	Vehicles Included	Basic Coverage
New York	2/1/74	All motor vehicles, including fire and police vehicles but excluding motorcycles.	\$50,000 aggregate for medical, hospital and rehabilitation expenses (funeral expenses not included); up to \$1,000 a month loss of income for as long as three years; after a 20% reduction to reflect income tax, the most an injured person can collect is \$800 a month; \$25 a day for one year for essential services. (Options for higher coverage, including funeral expenses, out-of-state coverage and a family deductible are available.) No provision for Property Damage coverage.
Pennsylvania	7/19/75	All motor vehicles. Owners of motorcycles required to carry Automobile Liability insurance and contribute to assigned claims plan. No-fault benefits do not apply, but motorcycle owner retains first-dollar right to sue.	Unlimited medical expenses; \$15,000 loss of income. No provision for Property Damage coverage.
Utah	1/1/74	All motor vehicles except motorcycles.	\$2,000 medical expenses; 85% of loss of income not to exceed \$150 a week for as long as 52 weeks (payments subject to a three day waiting period unless inability to work exceeds 14 days at which time the waiting period is eliminated); \$12 a day for essential services; \$1,000 funeral expenses; \$2,000 survivors' benefits. (Options for higher coverage and deductibles are available.) No provision for Property Damage coverage.

Modified No-Fault Laws

Limitation on Right to Sue	Remarks
<p>Suit barred unless injury is <i>serious</i>. Serious injury is defined as personal injury which results in death, dismemberment, significant disfigurement, a compound or comminuted fracture, permanent loss of use of a body organ, member, function or system or where medical expenses exceed \$500. Additionally, when the combination of medical expenses, lost earnings and other expenses exceed the \$50,000 maximum provided by the law, or when actual lost earnings, before the 20% reduction, exceed \$1,000 a month or where other expenses exceed \$25 a day, the injured person may sue for the excess.</p>	<p>Benefits received under Workmen's Compensation or Social Security laws are deducted from no-fault benefits. Medical Payments coverage is <i>excess</i> over no-fault coverage.</p> <p>Out-of-state coverage is not automatic but is available as an option. Nonresidents driving in New York are required to have the basic no-fault protection provided under the New York law and automatically have this coverage if their insurers are authorized to write insurance in New York.</p>
<p>Suit barred unless injury results in death, serious and permanent injury, 60 days of continuous disability and permanent, severe and irreparable cosmetic disfigurement, or unless medical expenses exceed \$750.</p>	<p>Automobile Liability insurance with limits of \$15,000/30,000 Bodily Injury and \$5,000 Property Damage is now mandatory.</p> <p>Pennsylvania motorists have the no-fault benefits anywhere in the United States. If nonresidents are without no-fault benefits through their own policies, they are entitled to benefits under Pennsylvania's law. No-fault benefits reduced by benefits recoverable under Workmen's Compensation insurance. Insured has option of making Health benefits or no-fault benefits primary with a reduction in premium for the coverage not chosen.</p> <p>Uninsured injured person entitled to recover under assigned claims plan — subject to \$500 deductible for each year uninsured.</p>
<p>Suit barred unless injury results in death, dismemberment or fracture, permanent disability, permanent disfigurement or unless medical expenses exceed \$500.</p>	<p>Benefits received under Workmen's Compensation insurance are deducted from benefits recoverable under no-fault insurance.</p> <p>Out-of-state coverage is available as an option. Nonresidents driving in Utah must secure insurance providing the benefits of the law if the vehicle is present in the state for more than 90 days.</p>

1044

Expanded Medical Payments And Disability Benefits Plans

Since these plans provide no-fault benefits in the form of additional first-party coverage, but do not in any way restrict the right to sue, they are often referred to as *Add-On* No-Fault laws. The fact remains that the use of tort liability is not impaired, and hence, the laws, for purposes of this discussion, are classed as Expanded Medical Payments and Disability Benefits plans rather than Modified No-Fault plans. The Modified No-Fault plans are discussed on Nof-1 and following.

The Add-On plans of Arkansas, South Dakota, Texas and Virginia are voluntary programs where the insured can reject no-fault benefits, but must do so in writing. Oregon's plan is voluntary, but no-fault benefits must be provided in liability policies covering private passenger vehicles.

(Continued on next page.)



Expanded Medical Payments And Disability Benefits Plans

State	Effective Date	Vehicles Included	Basic Coverage
Arkansas	7/1/74	Private passenger vehicles.	\$2,000 for medical and hospital expenses up to 24 months (hospital room charge limited to semi-private rate); 70% of income loss not to exceed \$140 a week for up to one year, subject to an eight day waiting period; \$70 a week to non-income earner for essential services for up to one year, also subject to eight day waiting period; \$5,000 death benefit. (Optional higher coverage available.)
Delaware	1/1/72	All motor vehicles.	\$10,000 per person, \$20,000 aggregate for medical and hospital expenses, income loss and essential services expense; \$2,000 funeral expenses and \$5,000 for damage to property other than a motor vehicle. (Options for deductibles and higher coverage available.)



Add-On Plans

Limitation on Right to Sue	Remarks
No restriction, but in the event of a liability recovery by the insured, the insurer paying no-fault benefits is entitled to reimbursement—to the extent of these benefits—from the proceeds of the liability settlement.	Coverage applies to occupants of the insured vehicle and to pedestrians struck by the insured vehicle, provided they are not covered as insureds under their own policy. Intentional injury and injury sustained while committing a felony or while fleeing lawful apprehension or arrest are excluded.
No restriction, but no-fault insurer has right of subrogation against negligent party.	Coverage applies to occupants of the insured vehicle. Pedestrians are covered by the insurer of the vehicle which strikes them. If the vehicle is uninsured, coverage provided under their own Uninsured Motorists insurance. Coverage for property damage, including loss of use, also is provided under the Uninsured Motorists provision. The Property Damage coverage is subject to a deductible of at least \$250. Intentional injury or injury sustained through participation in a racing or speed contest is excluded.



Expanded Medical Payments And Disability Benefits Plans

State	Effective Date	Vehicles Included	Basic Coverage
Maryland	1/1/73	All motor vehicles, optional for motorcycles.	\$2,500 aggregate for medical, hospital and funeral expenses; loss of income; and loss of services which are incurred within three years of the date of accident. Insured has the option of purchasing equivalent benefits from a non-profit health service plan. (Options for higher coverage available.)
Oregon	1/1/72	Private passenger vehicles; motorcycles excluded.	\$3,000 for medical and hospital expenses (deductibles up to maximum of \$250 available but only apply to named insured and resident relatives); 70% of income loss subject to a 14 day waiting period and maximum of \$500; loss of services of \$12 a day for persons not employed who incur expenses.



Add-On Plans

Limitation on Right to Sue	Remarks
No restriction.	Coverage applies to occupants of the insured vehicle. Pedestrians recover from the vehicle owner's policy — unless no-fault benefits are not in effect, in which case the injured party recovers from his own policy. No reduction for benefits received from any other source, except Workmen's Compensation insurance. Insurer has no right of subrogation. Intentional injury, injury sustained while using a stolen vehicle or while committing a felony are excluded.
No restriction, but any liability recovery is subject to reduction by amount of no-fault benefits paid.	Coverage applies to named insured and resident relatives and also to occupants of the insured vehicle and to pedestrians struck by it. Intentional injury or injury sustained while participating in racing or speed contests are excluded. No-fault benefits reduced by benefits payable under Workmen's Compensation insurance. Coverage of guest passengers and pedestrians is excess over any other collateral benefits. Comparative negligence substituted for contributory negligence.

(Continued on next page.)



Expanded Medical Payments And Disability Benefits Plans

State	Effective Date	Vehicles Included	Basic Coverage
South Carolina	10/1/74	All motor vehicles.	\$1,000 aggregate for medical expenses, disability and economic loss. (Optional higher limits available.)
South Dakota	1/1/72	All motor vehicles except motorcycles.	\$2,000 medical and funeral expenses; minimum of \$60 a week for loss of income for up to one year, subject to a 50% reduction if insured is unemployed; \$10,000 accidental death benefits.



Add-On Plans

Limitation on Right to Sue	Remarks
<p>No restriction, but in the event of a tort liability recovery, insurer is entitled to reimbursement for the amount of no-fault benefits paid.</p>	<p>A reinsurance facility — which provides coverage equal to that of the voluntary market, including Uninsured Motorists coverage — replaces the Assigned Risk plan. Automobile Liability insurance is mandatory with limits of \$15,000/30,000 Bodily Injury and \$5,000 Property Damage. There is also a provision for an assigned claims plan. No-fault benefits are reduced by benefits payable under Workmen's Compensation insurance.</p>
<p>No restriction.</p>	<p>Duplicate payments from other sources permitted.</p>



Expanded Medical Payments And Disability Benefits Plans

State	Effective Date	Vehicles Included	Basic Coverage
Texas	8/27/73	All motor vehicles.	\$2,500 aggregate including medical, hospital and funeral expenses incurred within three years of date of accident; 80% of income loss; loss of services with no limitation other than the limit of the policy. (Options for higher coverage up to \$10,000 available.)
Virginia	1/1/72	All motor vehicles.	\$2,000 for medical and funeral expenses; up to \$100 a week for loss of income for one year.

Add-On Plans

Limitation on Right to Sue	Remarks
No restriction, but an insurer which has paid no-fault benefits to an occupant of the insured vehicle is entitled to an offset against any liability recovery by such occupant, to the extent of no-fault benefits paid.	Coverage applies to the named insured, resident relatives and occupants of the insured vehicle. Insurer has no right of subrogation. No reduction for benefits payable under Workmen's Compensation insurance or any other source of medical, hospital or wage continuation benefits; but recovery under Bodily Injury Liability or Uninsured Motorists coverage is reduced by benefits received under no-fault Automobile coverage. Intentionally caused injury or injury sustained while committing a felony or while fleeing lawful apprehension or arrest is excluded.
No restriction.	



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**AUTOMOBILE INSURANCE PRICES
UNDER THE NO-FAULT SYSTEM**

**A Report to Governor Hugh L. Carey and
the New York State Legislature**

January 15, 1975



NEW YORK INSURANCE DEPARTMENT

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AUTOMOBILE INSURANCE PRICES UNDER THE NO-FAULT SYSTEM

New York's no-fault automobile insurance law, which was enacted in February, 1973, became applicable on February 1, 1974, to motor vehicle accidents occurring in New York.

The two basic features of the law are that:

- each automobile insurance policy is required to provide benefits of up to \$50,000 in medical expenses and wage losses for any person injured by the auto regardless of fault; and
- an injured person, in exchange for the guaranteed payment of basic losses, loses his right to sue for "pain and suffering" unless he suffers a serious injury.

The law contained many other provisions, which further defined these basic features, expressed other related no-fault purposes, and required the Insurance Department to take various administrative actions to fully implement the new no-fault system.

On October 10, 1974, the Insurance Department issued a report entitled, "Implementation of the No-Fault Automobile Insurance Law." That report concluded that no-fault was performing "the way its sponsors (including the Insurance Department) said it would," and that "the initial implementation of the no-fault law was accomplished with remarkably few problems, and no major unanticipated problems have arisen during the first eight months of its operation."



This report is the second of three annual reports on the price of automobile insurance under no-fault. It is submitted pursuant to Section 677(3) of the Insurance Law, which requires the Department, on or before January 15, 1974, 1975 and 1976, to report to the Governor and the Legislature on the prices insurance companies charge for automobile personal injury insurance coverages.

One of the objectives of the no-fault law was to bring about substantial savings in the prices paid by New Yorkers for automobile personal injury insurance. To accomplish this objective, the law required, among other things, that (i) certain reductions in rates be made at the inception of the no-fault system, (ii) rates be filed with and approved by the Insurance Department, and (iii) three annual reports on prices and personal injury insurance be made to the Governor and the Legislature.

The second no-fault price report follows.

Legislation Enacted in 1974 Affecting Auto Insurance Rates

On January 29, 1974, the Insurance Department issued a report entitled, the "Impact of the Energy Crisis on Automobile Insurance Rates." In that report, the Department recommended the enactment of legislation to assure that automobile insurance policyholders, rather than insurance companies, would benefit from any lower loss experience that may result from the energy crisis.

Legislation recommended by the Department became law on May 23, 1974. Among other things, the new "energy crisis" legislation provided that:



- Insurance Department prior approval will not be required for any rate change which would result in rate levels lower than those in effect on February 1, 1974; and
- the Insurance Department would not approve any increase in rate levels above those in effect on February 1 to take effect prior to September 1, 1974.

In other words, automobile insurance rate increases were prohibited by the new law until September 1, 1974. In addition, the law also encouraged insurance companies to lower their rates voluntarily, by permitting reductions from February 1, 1974 rate levels without Insurance Department approval, and by allowing a subsequent restoration of such decreases (but no increase beyond February 1, 1974 levels) without prior approval.

Department Rate Revision Policy Since September 1, 1974

After September 1, 1974, all rate increases became subject to the Department's prior approval, although under the "energy crisis" law rate decreases can be instituted without Department action.

Since September 1, 1974, the Department has received and approved a number of rate increases for automobile physical damage coverages, where the increase was properly supported by credible experience. Because the no-fault law does not apply to property damage, loss experience prior to the no-fault law can be used for supporting these rate changes.



The Department has not approved, however, any rate increases for bodily injury liability and no-fault insurance coverages and will not approve any until meaningful and fully supported no-fault experience is available. Pre-no-fault experience cannot be relied upon to support rate changes for these coverages, because the underlying system has been radically changed by no-fault.

Initial Rates and Savings

On October 17, 1973, the Department issued regulations establishing general rules applicable to rates for basic and optional no-fault coverages. Thereafter, the Department received and processed rate filings from all companies. On January 15, 1974, as required by law, the Department filed with the Governor and the Legislature a report on "Price Reductions Resulting from Enactment of No-Fault Insurance".

The results, comparing rates for personal injury insurance in effect on January 1, 1973 with those in effect on February 1, 1974, were as follows:

- for basic personal injury insurance, where the statute required a 15% reduction, the actual reduction averaged more than 19%;
- for all kinds of personal injury insurance, including optional as well as basic coverage, the average actual reduction was about 13%;
- in dollar terms, New Yorkers would save about \$100 million annually based on the actual no-fault rates; and



-- the "average" driver would save about \$15 annually on each vehicle.

The report pointed out that the annual savings for a particular individual would range widely from this "average", depending on where he lived, the company he was insured with, the kind of coverage he bought and many other factors. The report contained a pre-and post-no-fault listing of premiums charged by the 15 largest companies and the automobile assigned risk plan for "typical" drivers purchasing various combinations of insurance and residing in different parts of the State. A total of 1,536 actual comparisons were shown.

The annual \$100 million savings achieved under no-fault include the cost of optional coverages. If no optional coverages were purchased, the annual savings on a statewide basis would have been \$130 million, about \$30 million more than the Insurance Department had predicted at the time of the law's enactment. The actual savings are \$100 million because New Yorkers have elected to spend a total of \$30 million for extra coverages.

Refunds

In addition to savings on policy renewals, some policyholders received refunds on existing policies. Policyholders who had purchased auto insurance prior to February 1, 1974 were entitled to receive a refund or credit in the amount of the difference between what they had already paid for the post-February 1 period and what they would have paid for such period based on the lower rates which took effect February 1.

The law provided that these refunds had to be made no later than the next renewal date of the policy. By Department regulation, they were required by the earliest of:

- a policyholder's specific request,
- June 1, 1974 for refunds greater than \$5, or
- the next renewal date of the policy.

New York policyholders have received approximately \$45 million in cash refunds or credits on auto policies in effect on February 1, 1974.

Although larger premium savings than expected resulted from the law, there has been some consumer confusion because many have failed to distinguish between annual savings, and refunds or credits on policies in existence at the time no-fault went into effect.

This distinction can be illustrated by considering the example of a policyholder who purchased a policy for a one-year period beginning May 1, 1973 for a premium of \$100. Based on one company's no-fault rates, his renewal premium on May 1, 1974 was \$84, an annual savings of \$16.

This policyholder also received a refund, since he had paid for the quarter-year period from February 1, to May 1, 1974 at the old, pre-no-fault rate of \$100. The refund was one-fourth of the annual \$16 savings, or \$4. This example illustrates that, in cases where policies expired shortly after February 1 or were issued on a semi-annual or quarterly basis, refunds may have been small, even though annual savings are substantial.

No-Fault Rate Changes Since February 1

As noted earlier, no-fault insurance rates have not increased since no-fault's advent in February 1974.

However, there have been additional rate reductions, with 15 automobile carriers having reduced personal injury insurance premiums for some or all of their policyholders. These downward rate revisions had an approximate 1/2% effect on the total statewide rate level. Put another way, New York policyholders will realize a further annual premium savings of some \$3,000,000 in addition to the savings resulting from the initial no-fault rate reductions. The private passenger auto insurance reductions made by these 15 insurance companies are as follows:

<u>Company's Share of Market</u>		<u>Effective Date</u>	<u>Rate Level Reduction</u>
5.0%	Aetna C & S	2/1/74*	3.0%
1.5%	Allcity Insurance	4/1/74	4.3%
-	City Insurance Co.	4/1/74	2.0%
2.4%	Empire Mutual	4/1/74	3.5%
1.7%	Utica Mutual	4/1/74	2.2%
.7%	Country-Wide	5/1/74	4.5%
2.3%	Liberty Mutual Fire	6/1/74	1.2%
-	N.Y. Central Mutual	6/15/74	15.0%
5.4%	Hartford A & I	8/1/74	.5%
.9%	Unigard Jamestown	8/26/74	.7%
.5%	Public Service	9/1/74	7.5%
2.1%	Royal Globe Companies	9/1/74	1.1%
1.2%	General Accident	9/24/74	.6%
.9%	Reliance Insurance	10/1/74	2.8%
.8%	Aetna Insurance Co.	12/31/74	1.7%

* This "car-pool" rate reduction, was initiated by the company subsequent to its "go-in" no-fault rate application, and was put into effect along with the initial no-fault rate reduction.



Although the noted reductions are expressed as a percentage of the companies' total personal injury premiums, most of these rate changes affected only some of the policyholders of these companies. Only five companies - Hartford and Utica Mutual (the 2nd and 12th largest auto insurers in the State), and the Aetna Insurance Company, Public Service Mutual and Reliance Insurance Company - have instituted general rate reductions affecting most or all of their policyholders. The remaining reductions consist of changes in rating rules and classifications which generally do not affect most policyholders. Among the reasons for these adjustments are favorable loss experience before the no-fault law became effective and some anticipated savings due to reduced driving caused by the energy crisis. No insurer has yet reduced its personal injury rates because of realized favorable no-fault results. Normally, reliable insurance statistics usable for rate making purposes do not become available for six months after the close of the calendar year.

Related No-Fault Savings

The no-fault law provides that no-fault benefits are payable regardless of the existence of other insurance or benefits -- such as Blue Cross or Blue Shield, major medical insurance, disability income insurance, or sick pay or sick leave granted by an employer.

The only exceptions are Social Security disability benefits (the federal program that provides a disability benefit six months after a disability occurs) and workmen's compensation. No-fault benefits will be paid only for what is not covered by workmen's compensation or Social Security disability benefits.

Most New Yorkers have health insurance coverages which duplicate benefits provided by no-fault. If this duplication were entirely eliminated, New Yorkers' health insurance premiums would be reduced by approximately \$75 million a year. (This, of course, would be in addition to the savings already realized on automobile insurance.)

To help realize this potential, the Department has notified all insurers licensed to write accident, health and disability insurance that non-duplication of health insurance and no-fault insurance benefits should be encouraged, and had prepared for their use a standard exclusion clause. The exclusion of no-fault benefits must be accompanied by either a rate reduction or a commensurate increase in other benefits.

The Department has also required non-profit health carriers (such as Blue Cross and Blue Shield plans) to exclude duplication of no-fault automobile insurance benefits from their community-rated health insurance contracts by February 1, 1975, except where duplication is specifically requested by the policyholder. The elimination of this benefit duplication should reduce health insurance premiums charged by these carriers by about 2.5%.

Rate Comparisons

As in last year's report, this report shows the premiums charged in actual dollars for personal injury insurance on private passenger automobiles by the fifteen largest automobile insurance companies and the automobile assigned risk plan in selected geographical areas; for two types of drivers (the adult pleasure driver without accidents and the 20 year old male with one chargeable accident); and for drivers who purchase different

levels of coverage. Comparisons are made between rates charged as of January 1, 1975 and those charged on January 1, 1973 for different levels of coverage as follows:

-- minimum personal injury insurance.

This driver purchased the minimum compulsory limits of bodily injury liability insurance (\$10,000 per person and \$20,000 per accident) on January 1, 1973, and will purchase only 10/20 bodily injury and compulsory no-fault with a \$200 family deductible on January 1, 1975.

-- medium amount of insurance.

This driver purchased 25/50 bodily injury plus \$1,000 medical payments coverage on January 1, 1973, and will purchase 25/50 bodily injury plus \$1,000 excess medical payments plus compulsory no-fault without a deductible on January 1, 1975.

-- higher amount of insurance.

This driver purchased 100/300 bodily injury plus \$5,000 medical payments on January 1, 1973, and will purchase 100/300 bodily injury plus \$100,000 no-fault with work-loss benefits of up to \$2,000 per month for in-state and out-of-state driving on January 1, 1975.

The dollar prices and comparisons, which may be of interest to consumers who wish to compare prices charged by various companies, are contained on the following pages.



ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

BRONX COUNTY NORTH

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 80	\$111	\$102	\$139	\$122	\$160
Hartford	97	112	123	146	157	175
Aetna Casualty	91	110	118	141	152	170
Government Employees	65	72	81	95	103	112
Travelers	94	114	117	144	148	171
State Farm Mutual	88	101	105	129	125	151
Empire Mutual*	81	102	99	132	126	154
Liberty Mutual Fire	78	99	99	124	127	145
Nationwide Mutual	84	96	104	124	126	144
Merchants Mutual	72	85	90	106	114	124
Ins. Co. of North America	90	111	112	139	142	163
Lumbermens Mutual Casualty	102	117	126	148	154	173
Utica Mutual*	77	114	93	142	119	167
General Accident	82	96	101	121	129	141
Boston Old Colony	84	101	105	126	132	148
Assigned Risk	79	89	103	121	126	133

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$223	\$329	\$277	\$390	\$328	\$444
Hartford	244	281	310	368	378	442
Aetna Casualty	229	276	297	355	366	429
Government Employees	141	162	176	208	212	242
Travelers	324	399	398	491	480	573
State Farm Mutual	340	398	404	491	450	573
Empire Mutual*	191	283	236	349	282	406
Liberty Mutual Fire*	201	330	252	416	303	479
Nationwide Mutual	244	287	300	356	351	414
Merchants Mutual	239	279	294	346	350	402
Ins. Co. of North America	239	307	298	377	360	438
Lumbermens Mutual Casualty	272	322	335	395	396	458
Utica Mutual*	193	330	234	414	282	487
General Accident	242	287	297	355	360	413
Boston Old Colony	211	253	264	317	316	373
Assigned Risk	228	266	299	352	344	389

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies,

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

BRONX COUNTY SOUTH

<u>Company</u>	<u>Minimum Coverage</u>		<u>Medium Coverage</u>		<u>Higher Coverage</u>	
	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>
<u>Adult-Preferred Risk</u>						
Allstate	\$ 97	\$144	\$123	\$177	\$147	\$203
Hartford	137	161	173	206	217	246
Aetna Casualty	103	124	134	159	170	191
Government Employees	77	85	96	112	120	132
Travelers	121	148	149	185	186	218
State Farm Mutual	110	127	131	160	153	187
Empire Mutual*	97	124	119	157	149	184
Liberty Mutual Fire	91	114	115	142	146	166
Nationwide Mutual	107	122	132	155	157	181
Merchants Mutual	91	107	113	132	141	156
Ins. Co. of North America	117	130	143	163	178	189
Lumbermens Mutual Casualty	137	159	169	199	204	232
Utica Mutual*	97	137	119	169	149	199
General Accident	104	122	127	153	160	178
Boston Old Colony	107	128	133	159	165	187
Assigned Risk	102	118	135	159	162	175

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$277	\$431	\$343	\$504	\$406	\$574
Hartford	346	406	437	520	530	623
Aetna Casualty	259	312	336	401	413	482
Government Employees	164	192	204	243	245	282
Travelers	421	521	513	639	616	742
State Farm Mutual	426	502	505	614	560	716
Empire Mutual*	202	295	248	364	296	423
Liberty Mutual Fire*	217	304	272	378	327	437
Nationwide Mutual	308	368	380	452	442	522
Merchants Mutual	265	310	327	384	389	445
Ins. Co. of North America	313	359	381	439	458	508
Lumbermens Mutual Casualty	308	368	381	448	450	519
Utica Mutual*	244	345	300	426	358	503
General Accident	310	368	379	452	456	522
Boston Old Colony	270	322	335	401	398	472
Assigned Risk	300	356	394	464	450	514

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

BROOKLYN

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$104	\$141	\$131	\$174	\$156	\$200
Hartford	138	162	175	207	218	247
Aetna Casualty	116	140	150	179	190	214
Government Employees	87	98	108	128	135	150
Travelers	132	163	164	204	204	239
State Farm Mutual	108	124	129	156	151	183
Empire Mutual*	97	125	119	158	149	185
Liberty Mutual Fire	98	123	123	153	156	178
Nationwide Mutual	113	130	140	165	167	193
Merchants Mutual	90	105	111	130	139	152
Ins. Co. of North America	125	167	152	206	189	231
Lumbermens Mutual Casualty	126	146	155	183	188	214
Utica Mutual*	105	138	129	171	160	200
General Accident	111	130	137	163	171	189
Boston Old Colony	114	138	142	171	175	200
Assigned Risk	103	119	137	160	163	176
<u>Unmarried Male-Age 20-One Chargeable Accident</u>						
Allstate	\$296	\$421	\$366	\$492	\$433	\$561
Hartford	341	408	441	523	535	625
Aetna Casualty	293	352	378	452	463	541
Government Employees	188	222	234	278	279	322
Travelers	460	571	561	700	674	813
State Farm Mutual	418	495	495	662	549	772
Empire Mutual*	198	290	244	358	291	416
Liberty Mutual Fire*	234	328	292	407	351	470
Nationwide Mutual	327	392	403	479	469	555
Merchants Mutual	259	305	320	376	381	427
Ins. Co. of North America	335	464	407	560	488	648
Lumbermens Mutual Casualty	289	345	356	422	421	490
Utica Mutual*	265	347	326	431	386	506
General Accident	329	392	403	479	485	556
Boston Old Colony	288	347	358	431	426	506
Assigned Risk	302	359	397	469	454	519

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

MANHATTAN

<u>Company</u>	<u>Minimum Coverage</u>		<u>Medium Coverage</u>		<u>Higher Coverage</u>	
	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>
<u>Adult-Preferred Risk</u>						
Allstate	\$ 85	\$134	\$108	\$165	\$129	\$190
Hartford	112	130	141	168	178	201
Aetna Casualty	88	106	113	137	146	164
Government Employees	72	80	90	105	114	124
Travelers	108	133	134	167	168	197
State Farm Mutual	105	120	125	151	147	176
Empire Mutual*	94	119	115	152	144	178
Liberty Mutual Fire	90	106	114	132	145	155
Nationwide Mutual	94	104	115	134	139	157
Merchants Mutual	80	94	98	116	124	136
Ins. Co. of North America	99	121	123	152	154	177
Lumbermens Mutual Casualty	131	150	159	187	192	218
Utica Mutual*	88	132	108	164	137	192
General Accident	90	104	110	132	140	155
Boston Old Colony	91	109	112	135	141	159
Assigned Risk	94	107	123	145	148	160

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$239	\$401	\$296	\$470	\$351	\$534
Hartford	282	327	356	424	433	507
Aetna Casualty	221	266	284	345	349	414
Government Employees	155	180	193	229	231	266
Travelers	376	465	460	571	554	664
State Farm Mutual	404	476	480	641	533	744
Empire Mutual*	194	284	239	351	286	408
Liberty Mutual Fire*	216	281	270	351	325	406
Nationwide Mutual	265	313	326	387	380	449
Merchants Mutual	232	273	285	336	341	391
Ins. Co. of North America	264	334	325	409	392	474
Lumbermens Mutual Casualty	294	351	364	429	430	496
Utica Mutual*	221	332	272	414	328	485
General Accident	264	313	323	385	391	446
Boston Old Colony	229	273	282	340	338	401
Assigned Risk	273	323	360	424	412	469

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

QUEENS SUBURBAN

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>
<u>Adult-Preferred Risk</u>						
Allstate	\$ 81	\$ 96	\$103	\$121	\$123	\$140
Hartford	81	93	102	121	132	146
Aetna Casualty	81	95	103	123	134	149
Government Employees	70	78	88	103	111	122
Travelers	89	104	109	134	139	159
State Farm Mutual	84	95	100	122	119	142
Empire Mutual*	76	93	93	121	118	141
Liberty Mutual Fire	76	95	96	120	124	140
Nationwide Mutual	78	86	96	112	117	131
Merchants Mutual	77	88	95	111	120	130
Ins. Co. of North America	90	103	111	129	140	151
Lumbermens Mutual Casualty	98	112	122	143	149	168
Utica Mutual*	72	97	86	123	111	145
General Accident	76	86	93	111	119	131
Boston Old Colony	80	93	99	118	125	140
Assigned Risk	88	99	115	135	140	149
<u>Unmarried Male-Age 20-One Chargeable Accident</u>						
Allstate	\$261	\$314	\$324	\$371	\$383	\$424
Hartford	239	273	301	357	367	432
Aetna Casualty	239	279	303	363	373	441
Government Employees	165	193	205	244	246	284
Travelers	382	454	464	562	556	651
State Farm Mutual	318	373	377	461	421	537
Empire Mutual*	170	251	210	312	252	362
Liberty Mutual Fire*	230	316	286	401	343	462
Nationwide Mutual	245	291	301	358	352	416
Merchants Mutual	254	291	312	366	371	424
Ins. Co. of North America	279	314	342	384	410	445
Lumbermens Mutual Casualty	264	314	326	385	387	446
Utica Mutual*	212	280	254	357	305	422
General Accident	247	290	301	358	365	417
Boston Old Colony	236	273	291	348	347	414
Assigned Risk	255	302	336	397	386	438

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

STATEN ISLAND

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 60	\$ 65	\$ 77	\$ 83	\$ 93	\$ 98
Hartford	64	74	82	97	108	118
Aetna Casualty	61	74	79	97	105	118
Government Employees	53	58	66	78	86	93
Travelers	61	70	76	93	99	112
State Farm Mutual	61	67	73	88	90	104
Empire Mutual*	54	64	66	86	88	101
Liberty Mutual Fire	52	61	67	79	90	94
Nationwide Mutual	61	66	75	87	92	102
Merchants Mutual	57	64	70	82	91	97
Ins. Co. of North America	59	65	76	83	99	99
Lumbermens Mutual Casualty	71	78	87	101	108	119
Utica Mutual*	52	68	64	87	85	104
General Accident	58	66	72	86	95	102
Boston Old Colony	56	65	69	83	90	99
Assigned Risk	63	71	83	98	104	107

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$190	\$269	\$237	\$321	\$281	\$366
Hartford	188	216	240	285	295	348
Aetna Casualty	179	216	232	285	287	348
Government Employees	157	182	195	232	234	269
Travelers	257	303	316	378	381	443
State Farm Mutual	230	264	274	331	309	388
Empire Mutual*	170	246	210	306	252	355
Liberty Mutual Fire*	158	202	197	264	239	305
Nationwide Mutual	232	277	287	340	335	396
Merchants Mutual	184	211	226	267	271	308
Ins. Co. of North America	182	249	232	306	281	355
Lumbermens Mutual Casualty	253	300	312	368	370	427
Utica Mutual*	152	195	188	251	227	301
General Accident	234	277	288	343	348	399
Boston Old Colony	164	189	201	243	243	291
Assigned Risk	251	296	332	389	381	430

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

HEMPSTEAD TOWNSHIP

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 68	\$ 79	\$ 88	\$100	\$105	\$118
Hartford	67	77	85	101	112	122
Aetna Casualty	68	82	88	107	115	129
Government Employees	52	56	65	76	85	91
Travelers	70	80	86	105	111	126
State Farm Mutual	71	79	85	104	103	123
Empire Mutual*	58	72	72	95	94	111
Liberty Mutual Fire	62	74	79	94	104	112
Nationwide Mutual	67	75	83	99	102	115
Merchants Mutual	64	73	79	93	102	110
Ins. Co. of North America	73	82	92	104	117	122
Lumbermens Mutual Casualty	71	78	87	102	108	121
Utica Mutual*	58	75	71	96	94	113
General Accident	66	75	82	98	107	116
Boston Old Colony	65	76	80	97	104	115
Assigned Risk	69	76	89	105	110	116

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$216	\$299	\$268	\$355	\$317	\$404
Hartford	197	225	250	297	307	360
Aetna Casualty	200	240	257	315	317	381
Government Employees	144	165	179	212	216	246
Travelers	296	346	360	422	433	490
State Farm Mutual	271	314	322	392	361	460
Empire Mutual*	160	231	197	288	238	334
Liberty Mutual Fire*	187	246	234	315	281	364
Nationwide Mutual	231	275	285	339	333	396
Merchants Mutual	209	239	257	300	307	342
Ins. Co. of North America	225	291	281	356	339	413
Lumbermens Mutual Casualty	239	281	295	344	350	400
Utica Mutual*	170	215	209	278	254	327
General Accident	234	275	287	338	347	392
Boston Old Colony	191	222	235	285	283	339
Assigned Risk	244	287	321	379	368	418

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

SUFFOLK COUNTY EAST

<u>Company</u>	<u>Minimum Coverage</u>		<u>Medium Coverage</u>		<u>Higher Coverage</u>	
	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>
<u>Adult-Preferred Risk</u>						
Allstate	\$ 64	\$ 67	\$ 83	\$ 86	\$ 99	\$101
Hartford	65	75	83	99	109	120
Aetna Casualty	52	65	69	86	93	104
Government Employees	47	51	59	69	78	82
Travelers	65	75	81	100	104	119
State Farm Mutual	61	67	73	88	90	104
Empire Mutual*	56	67	69	90	91	106
Liberty Mutual Fire	56	67	70	86	94	115
Nationwide Mutual	63	69	78	90	95	106
Merchants Mutual	59	68	73	87	95	103
Ins. Co. of North America	59	62	76	80	99	95
Lumbermens Mutual Casualty	64	71	78	92	98	111
Utica Mutual*	54	73	66	93	88	111
General Accident	61	69	76	90	99	107
Boston Old Colony	60	69	75	89	97	105
Assigned Risk	66	74	87	102	108	112

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$201	\$277	\$250	\$329	\$296	\$375
Hartford	191	219	244	291	299	354
Aetna Casualty	152	189	201	252	250	306
Government Employees	140	159	173	205	209	238
Travelers	277	322	338	401	406	458
State Farm Mutual	228	261	271	320	305	375
Empire Mutual*	172	252	212	313	254	363
Liberty Mutual Fire*	187	254	232	328	279	432
Nationwide Mutual	242	287	298	353	348	411
Merchants Mutual	207	236	253	299	302	347
Ins. Co. of North America	182	240	232	294	281	342
Lumbermens Mutual Casualty	231	271	280	333	337	387
Utica Mutual*	158	227	194	291	236	349
General Accident	244	287	299	351	362	408
Boston Old Colony	176	201	218	261	262	309
Assigned Risk	255	302	336	397	385	438

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

NORTH HEMPSTEAD

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 58	\$ 69	\$ 74	\$ 88	\$ 90	\$103
Hartford	57	66	72	87	96	106
Aetna Casualty	61	74	78	97	105	118
Government Employees	46	50	57	68	77	81
Travelers	63	72	77	95	102	114
State Farm Mutual	66	73	78	96	97	113
Empire Mutual*	54	64	66	86	88	101
Liberty Mutual Fire	44	62	57	80	79	94
Nationwide Mutual	58	63	71	84	89	98
Merchants Mutual	55	62	66	79	88	94
Ins. Co. of North America	60	69	76	89	100	106
Lumbermens Mutual Casualty	63	70	76	93	97	110
Utica Mutual*	50	71	61	91	81	108
General Accident	56	63	69	84	92	100
Boston Old Colony	57	66	69	84	91	100
Assigned Risk	64	71	83	98	105	108

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$182	\$283	\$226	\$336	\$269	\$384
Hartford	167	192	211	255	261	312
Aetna Casualty	179	216	231	285	287	348
Government Employees	137	156	169	201	205	234
Travelers	267	312	325	389	392	455
State Farm Mutual	250	288	295	362	333	322
Empire Mutual*	143	207	176	261	202	302
Liberty Mutual Fire*	132	206	168	266	203	307
Nationwide Mutual	218	259	268	320	315	372
Merchants Mutual	177	202	217	257	262	299
Ins. Co. of North America	185	264	234	324	285	376
Lumbermens Mutual Casualty	214	252	265	311	316	361
Utica Mutual*	146	204	179	263	215	312
General Accident	221	259	269	318	328	368
Boston Old Colony	167	192	203	246	246	294
Assigned Risk	237	279	310	368	356	407

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies,

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

NORTH HEMPSTEAD

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 58	\$ 69	\$ 74	\$ 88	\$ 90	\$103
Hartford	57	66	72	87	96	106
Aetna Casualty	61	74	78	97	105	118
Government Employees	46	50	57	68	77	81
Travelers	63	72	77	95	102	114
State Farm Mutual	66	73	78	96	97	113
Empire Mutual*	54	64	66	86	88	101
Liberty Mutual Fire	44	62	57	80	79	94
Nationwide Mutual	58	63	71	84	89	98
Merchants Mutual	55	62	66	79	88	94
Ins. Co. of North America	60	69	76	89	100	106
Lumbermens Mutual Casualty	63	70	76	93	97	110
Utica Mutual*	50	71	61	91	81	108
General Accident	56	63	69	84	92	100
Boston Old Colony	57	66	69	84	91	100
Assigned Risk	64	71	83	98	105	108

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$182	\$283	\$226	\$336	\$269	\$384
Hartford	167	192	211	255	261	312
Aetna Casualty	179	216	231	285	287	348
Government Employees	137	156	169	201	205	234
Travelers	267	312	325	389	392	455
State Farm Mutual	250	288	295	362	333	322
Empire Mutual*	143	207	176	261	202	302
Liberty Mutual Fire*	132	206	168	266	203	307
Nationwide Mutual	218	259	268	320	315	372
Merchants Mutual	177	202	217	257	262	299
Ins. Co. of North America	185	264	234	324	285	376
Lumbermens Mutual Casualty	214	252	265	311	316	361
Utica Mutual*	146	204	179	263	215	312
General Accident	221	259	269	318	328	368
Boston Old Colony	167	192	203	246	246	294
Assigned Risk	237	279	310	368	356	407

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

OYSTER BAY

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 64	\$ 68	\$ 82	\$ 87	\$ 99	\$102
Hartford	62	72	78	94	104	114
Aetna Casualty	59	71	75	93	101	113
Government Employees	50	54	62	73	82	87
Travelers	61	70	75	93	99	112
State Farm Mutual	64	71	75	94	93	110
Empire Mutual*	52	63	63	84	84	98
Liberty Mutual Fire	54	64	68	83	92	97
Nationwide Mutual	62	67	75	88	94	104
Merchants Mutual	57	64	69	82	91	97
Ins. Co. of North America	58	63	74	81	98	96
Lumbermens Mutual Casualty	62	68	75	90	96	107
Utica Mutual*	51	68	62	87	83	104
General Accident	60	68	73	89	97	106
Boston Old Colony	57	67	70	85	93	102
Assigned Risk	60	67	78	93	99	102

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$199	\$281	\$247	\$334	\$293	\$380
Hartford	182	210	229	276	283	336
Aetna Casualty	173	207	220	273	275	333
Government Employees	147	169	181	217	220	251
Travelers	257	303	315	379	381	443
State Farm Mutual	242	278	286	350	323	410
Empire Mutual*	142	204	175	257	212	298
Liberty Mutual Fire*	162	213	203	276	244	319
Nationwide Mutual	229	271	280	334	329	388
Merchants Mutual	184	211	225	267	271	311
Ins. Co. of North America	179	243	228	299	278	347
Lumbermens Mutual Casualty	210	245	259	303	309	351
Utica Mutual*	149	195	182	251	221	301
General Accident	230	271	280	333	341	386
Boston Old Colony	167	195	206	249	250	300
Assigned Risk	239	280	313	369	359	408

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

CENTRAL WESTCHESTER

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 50	\$ 55	\$ 65	\$ 72	\$ 79	\$ 84
Hartford	50	57	64	76	86	93
Aetna Casualty	43	52	56	69	77	85
Government Employees	45	49	57	66	76	80
Travelers	50	56	62	76	82	93
State Farm Mutual	55	62	66	80	82	95
Empire Mutual*	44	53	55	72	75	85
Liberty Mutual Fire	43	58	56	76	77	89
Nationwide Mutual	47	51	58	69	73	81
Merchants Mutual	46	51	56	65	75	78
Ins. Co. of North America	48	60	63	77	84	92
Lumbermens Mutual Casualty	51	54	62	72	80	85
Utica Mutual*	40	57	49	73	68	87
General Accident	47	51	57	69	77	82
Boston Old Colony	49	53	61	68	81	82
Assigned Risk	52	57	69	81	87	89

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$151	\$227	\$189	\$272	\$224	\$310
Hartford	146	165	186	222	230	273
Aetna Casualty	125	150	162	201	204	249
Government Employees	135	153	168	198	203	230
Travelers	208	238	254	300	307	352
State Farm Mutual	210	241	249	302	281	353
Empire Mutual*	119	170	146	215	180	250
Liberty Mutual Fire*	129	192	164	253	200	292
Nationwide Mutual	180	209	221	262	260	304
Merchants Mutual	145	164	177	209	215	243
Ins. Co. of North America	147	229	192	282	234	328
Lumbermens Mutual Casualty	176	203	217	256	259	296
Utica Mutual*	116	162	143	210	176	250
General Accident	178	209	219	261	267	302
Boston Old Colony	143	153	176	198	214	240
Assigned Risk	204	237	268	315	310	348

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

ALBANY

<u>Company</u>	<u>Minimum Coverage</u>		<u>Medium Coverage</u>		<u>Higher Coverage</u>	
	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>
<u>Adult-Preferred Risk</u>						
Allstate	\$ 74	\$ 81	\$ 95	\$103	\$114	\$120
Hartford	78	90	99	118	128	142
Aetna Casualty	72	87	94	113	122	136
Government Employees	53	57	66	77	86	91
Travelers	78	92	97	119	124	142
State Farm Mutual	77	86	92	111	111	129
Empire Mutual*	64	79	79	103	102	120
Liberty Mutual Fire	63	76	81	97	106	114
Nationwide Mutual	67	74	83	98	102	115
Merchants Mutual	68	78	84	99	107	117
Ins. Co. of North America	79	81	98	103	125	121
Lumbermens Mutual Casualty	73	80	89	105	111	122
Utica Mutual*	67	93	82	118	106	140
General Accident	67	76	84	99	108	117
Boston Old Colony	73	85	90	108	114	128
Assigned Risk	93	105	122	142	147	156
<u>Unmarried Male-Age 20-One Chargeable Accident</u>						
Allstate	\$233	\$296	\$290	\$350	\$343	\$400
Hartford	230	264	290	348	355	420
Aetna Casualty	212	255	275	333	339	402
Government Employees	130	148	162	191	196	222
Travelers	335	401	410	495	492	578
State Farm Mutual	291	339	346	421	387	492
Empire Mutual*	173	254	213	315	256	365
Liberty Mutual Fire*	190	254	240	324	290	374
Nationwide Mutual	224	262	276	326	324	379
Merchants Mutual	226	256	276	322	329	368
Ins. Co. of North America	245	275	303	337	364	390
Lumbermens Mutual Casualty	224	264	277	327	329	379
Utica Mutual*	197	269	242	342	290	407
General Accident	223	262	273	322	331	373
Boston Old Colony	215	249	263	318	315	378
Assigned Risk	266	315	351	413	402	457

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

BINGHAMTON

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 48	\$ 53	\$ 63	\$ 70	\$ 76	\$ 83
Hartford	51	58	65	77	87	95
Aetna Casualty	42	51	55	68	76	84
Government Employees	34	36	43	50	60	61
Travelers	49	55	61	75	81	91
State Farm Mutual	48	51	57	68	73	80
Empire Mutual*	42	50	52	68	71	81
Liberty Mutual Fire	43	49	55	64	76	76
Nationwide Mutual	47	50	58	67	73	79
Merchants Mutual	43	49	54	63	72	74
Ins. Co. of North America	42	48	56	63	76	76
Lumbermens Mutual Casualty	46	49	56	66	73	78
Utica Mutual*	40	58	49	75	68	90
General Accident	47	50	57	67	77	80
Boston Old Colony	44	51	55	66	74	79
Assigned Risk	52	57	69	81	87	89
<u>Unmarried Male-Age 20-One Chargeable Accident</u>						
Allstate	\$147	\$219	\$184	\$263	\$219	\$300
Hartford	149	168	190	225	234	279
Aetna Casualty	122	147	159	198	201	246
Government Employees	97	110	121	143	149	167
Travelers	204	234	250	294	303	346
State Farm Mutual	177	200	211	255	240	299
Empire Mutual*	130	184	160	233	195	271
Liberty Mutual Fire*	143	182	180	242	218	279
Nationwide Mutual	177	206	218	257	256	299
Merchants Mutual	147	169	182	214	221	249
Ins. Co. of North America	128	182	172	225	211	263
Lumbermens Mutual Casualty	161	186	199	230	239	267
Utica Mutual*	116	179	143	234	176	282
General Accident	176	206	215	257	263	300
Boston Old Colony	128	147	159	192	193	231
Assigned Risk	204	237	268	315	310	348

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

BUFFALO AND LACKAWANNA

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 96	\$ 89	\$123	\$113	\$145	\$130
Hartford*	98	123	123	158	158	189
Aetna Casualty	91	120	119	154	153	185
Government Employees	58	63	73	85	94	100
Travelers	95	113	118	146	148	172
State Farm Mutual	74	82	89	107	107	125
Empire Mutual*	78	96	96	125	121	146
Liberty Mutual Fire	76	92	97	115	125	135
Nationwide Mutual	80	90	99	118	120	137
Merchants Mutual	86	98	105	125	132	146
Ins. Co. of North America	104	103	127	129	158	151
Lumbermens Mutual Casualty	90	101	110	129	135	151
Utica Mutual*	92	106	113	134	142	158
General Accident	91	103	111	132	141	155
Boston Old Colony	88	103	109	131	137	154
Assigned Risk	104	120	137	162	163	178
<u>Unmarried Male-Age 20-One Chargeable Accident</u>						
Allstate	\$309	\$314	\$383	\$371	\$452	\$424
Hartford*	290	363	365	468	446	561
Aetna Casualty	269	354	352	456	431	549
Government Employees	128	146	160	189	194	220
Travelers	408	493	498	609	597	708
State Farm Mutual	282	325	334	405	374	472
Empire Mutual*	183	268	225	332	270	384
Liberty Mutual Fire*	230	305	287	384	345	443
Nationwide Mutual	260	309	320	380	374	441
Merchants Mutual	284	326	347	411	411	475
Ins. Co. of North America	323	337	392	411	468	476
Lumbermens Mutual Casualty	251	297	309	365	366	423
Utica Mutual*	272	307	335	389	398	460
General Accident	272	320	333	395	402	459
Boston Old Colony	260	303	322	387	382	456
Assigned Risk	304	362	400	471	457	521

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

JAMESTOWN

<u>Company</u>	<u>Minimum Coverage</u>		<u>Medium Coverage</u>		<u>Higher Coverage</u>	
	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>
<u>Adult-Preferred Risk</u>						
Allstate	\$ 50	\$ 49	\$ 65	\$ 64	\$ 79	\$ 76
Hartford	48	55	62	74	83	90
Aetna Casualty	45	56	59	75	81	92
Government Employees	33	34	42	48	59	59
Travelers	54	60	67	81	88	98
State Farm Mutual	51	56	61	75	77	87
Empire Mutual*	38	45	46	61	65	73
Liberty Mutual Fire	37	45	49	59	69	70
Nationwide Mutual	46	47	57	65	72	77
Merchants Mutual	43	49	54	62	72	74
Ins. Co. of North America	49	57	64	74	85	88
Lumbermens Mutual Casualty	45	48	55	66	72	79
Utica Mutual*	41	55	49	70	68	85
General Accident	46	49	56	65	76	78
Boston Old Colony	47	54	58	69	78	83
Assigned Risk	46	50	60	71	78	78
<u>Unmarried Male-Age 20-One Chargeable Accident</u>						
Allstate	\$153	\$181	\$191	\$218	\$227	\$251
Hartford	140	159	179	216	222	264
Aetna Casualty	131	162	172	219	216	270
Government Employees	84	94	105	124	131	145
Travelers	228	258	277	323	335	378
State Farm Mutual	189	216	225	277	255	320
Empire Mutual*	105	150	130	192	160	223
Liberty Mutual Fire*	126	168	160	222	196	257
Nationwide Mutual	159	183	196	231	231	269
Merchants Mutual	147	169	182	214	221	246
Ins. Co. of North America	150	198	195	244	238	286
Lumbermens Mutual Casualty	144	166	178	208	214	242
Utica Mutual*	119	169	143	217	176	265
General Accident	158	183	194	230	238	268
Boston Old Colony	137	156	169	201	205	243
Assigned Risk	162	187	211	250	246	275

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

ROCHESTER SUBURBAN

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 51	\$ 62	\$ 66	\$ 80	\$ 80	\$ 94
Hartford	57	66	73	87	96	106
Aetna Casualty	51	62	66	82	90	100
Government Employees	43	45	53	62	72	74
Travelers	56	65	70	87	92	105
State Farm Mutual	57	63	69	84	86	98
Empire Mutual*	48	57	59	77	79	91
Liberty Mutual Fire	46	65	59	84	81	99
Nationwide Mutual	50	53	63	73	78	86
Merchants Mutual	46	52	56	67	75	80
Ins. Co. of North America	50	72	65	92	87	109
Lumbermens Mutual Casualty	51	55	64	73	82	87
Utica Mutual*	42	65	51	83	71	99
General Accident	54	61	68	79	89	94
Boston Old Colony	49	57	61	73	81	87
Assigned Risk	57	63	76	89	95	97

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$158	\$253	\$197	\$303	\$234	\$345
Hartford	167	192	212	255	261	312
Aetna Casualty	149	180	193	240	241	294
Government Employees	123	140	153	181	186	211
Travelers	238	277	294	348	354	437
State Farm Mutual	216	246	257	310	290	365
Empire Mutual*	150	215	184	270	222	313
Liberty Mutual Fire*	154	245	194	320	234	368
Nationwide Mutual	189	221	232	276	273	322
Merchants Mutual	158	181	194	229	235	267
Ins. Co. of North America	154	278	201	341	245	396
Lumbermens Mutual Casualty	181	211	224	265	267	308
Utica Mutual*	122	201	149	259	185	311
General Accident	214	253	262	314	319	368
Boston Old Colony	143	165	176	213	214	255
Assigned Risk	227	265	297	350	342	387

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ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

ROCHESTER

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 74	\$ 76	\$ 95	\$ 98	\$114	\$114
Hartford*	74	90	93	118	122	142
Aetna Casualty	65	80	85	105	112	127
Government Employees	48	51	60	69	79	82
Travelers	75	88	93	115	119	137
State Farm Mutual	62	68	74	90	91	105
Empire Mutual*	56	68	69	91	91	107
Liberty Mutual Fire	64	77	81	98	105	115
Nationwide Mutual	66	73	82	96	100	113
Merchants Mutual	65	74	81	94	104	111
Ins. Co. of North America	75	76	94	97	120	115
Lumbermens Mutual Casualty	64	71	78	95	98	112
Utica Mutual*	60	82	75	105	98	124
General Accident	69	78	86	102	110	121
Boston Old Colony	68	79	85	101	108	120
Assigned Risk	85	96	111	131	134	144
<u>Unmarried Male-Age 20-One Chargeable Accident</u>						
Allstate	\$233	\$286	\$290	\$339	\$343	\$386
Hartford*	218	264	275	348	338	420
Aetna Casualty	191	234	250	309	308	375
Government Employees	125	142	155	183	188	213
Travelers	320	381	392	473	471	552
State Farm Mutual	230	266	274	335	309	392
Empire Mutual*	157	227	193	283	233	329
Liberty Mutual Fire*	178	257	224	326	268	343
Nationwide Mutual	229	272	281	336	329	390
Merchants Mutual	213	245	261	309	312	358
Ins. Co. of North America	232	266	289	326	347	378
Lumbermens Mutual Casualty	204	238	253	296	301	343
Utica Mutual*	176	236	221	304	264	360
General Accident	250	293	305	359	369	417
Boston Old Colony	200	231	248	297	297	354
Assigned Risk	263	310	347	407	398	450

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ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

SYRACUSE

Company	Minimum Coverage		Medium Coverage		Higher Coverage	
	1/1/75	1/1/73	1/1/75	1/1/73	1/1/75	1/1/73
<u>Adult-Preferred Risk</u>						
Allstate	\$ 61	\$ 67	\$ 79	\$ 86	\$ 95	\$101
Hartford	57	66	73	87	96	106
Aetna Casualty	60	73	78	96	104	117
Government Employees	47	51	59	69	78	72
Travelers	66	77	82	103	106	122
State Farm Mutual	56	61	68	81	85	96
Empire Mutual*	52	62	63	82	84	97
Liberty Mutual Fire	52	64	67	82	90	97
Nationwide Mutual	51	54	64	74	79	88
Merchants Mutual	57	64	70	82	91	97
Ins. Co. of North America	64	77	81	97	105	115
Lumbermens Mutual Casualty	60	65	73	86	92	101
Utica Mutual*	52	76	64	97	85	115
General Accident	56	63	70	83	92	98
Boston Old Colony	57	67	71	85	93	102
Assigned Risk	66	73	87	101	107	111

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$192	\$251	\$239	\$300	\$284	\$341
Hartford	167	192	212	255	261	312
Aetna Casualty	176	213	229	282	284	345
Government Employees	128	145	159	188	192	218
Travelers	281	332	342	414	412	483
State Farm Mutual	212	241	251	302	284	357
Empire Mutual*	144	210	179	264	217	306
Liberty Mutual Fire*	154	210	196	272	237	314
Nationwide Mutual	191	223	235	279	276	326
Merchants Mutual	184	211	226	267	271	311
Ins. Co. of North America	197	269	249	330	301	382
Lumbermens Mutual Casualty	195	227	240	281	286	329
Utica Mutual*	152	218	188	281	227	333
General Accident	204	241	250	299	304	348
Boston Old Colony	167	195	207	249	250	300
Assigned Risk	237	279	312	368	358	407

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ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

WATERTOWN

<u>Company</u>	<u>Minimum Coverage</u>		<u>Medium Coverage</u>		<u>Higher Coverage</u>	
	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>
<u>Adult-Preferred Risk</u>						
Allstate	\$ 35	\$ 39	\$ 46	\$ 54	\$ 58	\$ 65
Hartford	38	43	49	59	68	72
Aetna Casualty	28	36	38	50	56	63
Government Employees	33	34	42	48	59	59
Travelers	41	43	50	60	68	75
State Farm Mutual	42	45	51	63	66	72
Empire Mutual*	31	35	38	50	55	60
Liberty Mutual Fire	28	38	38	52	56	62
Nationwide Mutual	36	37	45	52	58	62
Merchants Mutual	33	36	41	46	57	55
Ins. Co. of North America	33	42	46	55	64	67
Lumbermens Mutual Casualty	37	38	45	54	60	65
Utica Mutual*	30	40	35	52	52	64
General Accident	36	37	45	51	62	62
Boston Old Colony	35	40	43	52	60	64
Assigned Risk	35	39	46	58	63	63

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$108	\$157	\$135	\$191	\$162	\$218
Hartford	110	123	140	171	175	210
Aetna Casualty	80	102	109	144	140	183
Government Employees	92	104	115	136	142	159
Travelers	166	179	201	228	244	271
State Farm Mutual	156	172	185	221	212	261
Empire Mutual*	91	128	112	165	140	192
Liberty Mutual Fire*	97	143	125	197	154	227
Nationwide Mutual	131	148	162	191	193	223
Merchants Mutual	109	124	134	157	165	185
Ins. Co. of North America	99	157	137	194	170	229
Lumbermens Mutual Casualty	126	143	154	181	186	212
Utica Mutual*	86	125	101	165	128	204
General Accident	129	152	159	193	197	226
Boston Old Colony	101	114	124	150	153	186
Assigned Risk	139	159	182	214	213	236

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ANNUAL PERSONAL INJURY AUTOMOBILE INSURANCE PREMIUMS
OF 15 LEADING INSURERS AND ASSIGNED RISK PLAN
UNDER NO-FAULT (1/1/75) AND PRIOR TO NO-FAULT (1/1/73)

SUFFOLK COUNTY WEST

<u>Company</u>	<u>Minimum Coverage</u>		<u>Medium Coverage</u>		<u>Higher Coverage</u>	
	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>	<u>1/1/75</u>	<u>1/1/73</u>
<u>Adult-Preferred Risk</u>						
Allstate	\$ 64	\$ 77	\$ 82	\$ 99	\$ 99	\$115
Hartford	71	82	89	107	118	129
Aetna Casualty	59	71	75	93	101	113
Government Employees	52	56	64	75	85	90
Travelers	65	76	80	101	104	121
State Farm Mutual	70	78	83	103	102	120
Empire Mutual*	58	72	72	95	95	111
Liberty Mutual Fire	59	73	75	94	99	110
Nationwide Mutual	63	69	77	92	95	107
Merchants Mutual	60	68	73	87	96	103
Ins. Co. of North America	66	77	83	98	108	116
Lumbermens Mutual Casualty	64	71	78	94	99	111
Utica Mutual*	53	76	64	97	86	115
General Accident	61	69	75	91	99	107
Boston Old Colony	57	66	69	84	91	100
Assigned Risk	71	78	91	108	113	119

Unmarried Male-Age 20-One Chargeable Accident

Allstate	\$201	\$308	\$249	\$365	\$296	\$415
Hartford	209	240	264	315	325	381
Aetna Casualty	173	207	220	273	275	333
Government Employees	152	175	187	224	226	259
Travelers	277	326	337	407	406	475
State Farm Mutual	263	306	312	386	351	450
Empire Mutual*	175	255	215	316	258	367
Liberty Mutual Fire*	199	275	249	355	297	409
Nationwide Mutual	232	277	286	342	335	397
Merchants Mutual	209	238	256	302	307	350
Ins. Co. of North America	203	287	255	351	309	408
Lumbermens Mutual Casualty	234	275	287	338	342	391
Utica Mutual*	155	237	188	304	230	362
General Accident	235	277	287	340	349	394
Boston Old Colony	167	192	203	246	246	294
Assigned Risk	247	291	325	383	373	423

*The January 1, 1975 rates for these companies are lower than the no-fault "go-in" rates they charged on February 1, 1974. For the remaining companies, January 1, 1975 rates are identical with the February 1, 1974 "go-in" rates.

NOTES

Assigned Risk premiums based on \$50,000/\$100,000 maximum bodily injury liability and residual liability and \$1,000 medical payments.

Premiums for Allstate, State Farm Mutual and Travelers for preferred adults based on annual mileage over 7,500.

Government Employees and State Farm Mutual include minimum \$5,000 residual medical payments.

Premiums for Liberty Mutual Fire and State Farm Mutual are estimated. Liberty Mutual's package policy includes single limit BI and PD liability, medical expenses and death benefits. State Farm's policy offers BI and PD at a single premium.



(2)

ANALYSIS OF FIRST-YEAR EXPERIENCE WITH
THE MICHIGAN NO-FAULT AUTO INSURANCE LAW
AND RECOMMENDATIONS FOR ITS IMPROVEMENT

Presented to:

Special No-Fault Study Committee,
Michigan House of Representatives

By:

Michigan Association of Insurance Companies

November 12, 1974



TO: Honorable Matthew McNeely, Chairman; Dan Angel, William Hayward, Kirby Holmes, John Engler, John Kelsey, George Edwards, Casmer Ogonowski

Gentlemen:

The Michigan insurance companies were among the first to call for a no-fault law so that the auto insurance dollar could be concentrated on paying the expenses of the injured instead of those of the legal system.

But we expressed serious concern about some aspects of the law as it finally was adopted.

We feared that the revolutionary change which it made would create prolonged constitutionality issues, which would leave the insurance system operating under a cloud of uncertainty and make it impossible to determine the cost effect of the change.

We had grave doubts whether the nature of the law's restriction on injury fault claims and lawsuits would be adequate to support unlimited no-fault benefits without creating additional insurance cost for motorists.

And we questioned whether people would accept the elimination of their right to collect from an at-fault driver for damage to their vehicles.

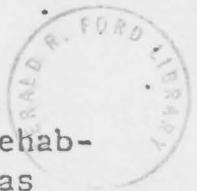
Regardless of those reservations, we assured you and your colleagues that, as professional administrators of the insurance system, we would conscientiously provide the people of Michigan with the best possible protection at the least possible cost which the conditions would allow.

We have done that, and because the Michigan companies insure approximately half of the motor vehicles in the state we have had a very broad exposure to the practical application of the new law.

Briefly, this is what has happened:

1. Your decision to provide unlimited no-fault medical and rehabilitation benefits and very substantial income loss compensation has created near-ideal economic protection for accident injury victims, and especially for the seriously injured. It is a dramatic improvement over the fault system.

2. The law's removal of fault system recovery for damage to motor vehicles has brought angry reaction from the motorist who does not have collision coverage and cannot collect from a negligent driver who smashes his car, or who has a form of collision coverage under which he does not get his deductible when another driver is at fault. This has created a distorted impression of public dissatisfaction with the entire no-fault concept because there are many more instances of vehicle damage than of injury, and the injured who are benefitting from no-fault have not been heard from.



3. Some segments of the law obviously need clarifying amendments. There is a question whether school districts were intended to insure the children on their buses. There is an almost certainly unintended provision for companies to recover no-fault benefits out of pain and suffering awards to their insureds. Mandatory liability limits should be stated in the act itself. And the right of a motorist to voluntarily coordinate his no-fault coverage with some other injury benefits is in doubt.

4. As we feared, the insurance system has been forced to operate without answers to whether the law will be upheld and, if so, in what form. The lack of those answers also has deferred the legal cases which will determine whether the law's provision which is intended to sharply cut the fault system expenses will work. As a result it has been impossible to determine the effect of the law on the cost of auto insurance, and the delay has created a multi-million-dollar possibility of double injury payments.

✓ 5. Michigan motorists have had considerable auto insurance cost savings during the first year of no-fault, even through the actual cost effect of the law could not be established. This resulted from company decisions to hold the line or decrease their premium levels until no-fault experience could be established, despite the uncertainties of the law and the impact of soaring inflation on the cost of everything auto insurance pays for.

As we advised you when this committee was created, we appreciate your decision to review the performance of the no-fault law and to consider the possibilities for its improvement, and we offer our fullest cooperation.

We believe the following elaboration upon the highlights of our experience with it should be a practical and important contribution to your considerations. In addition, we would be pleased to answer any questions which you may have, and to consult with you at any time.

MEDICAL, REHABILITATION, AND INCOME LOSS BENEFITS:

✓ Without question, this law is abundantly fulfilling the primary objective of the no-fault principle, which is to guarantee prompt, sure, adequate recovery of injury costs for all accident victims.

✓ In the first year of no-fault, more than 135,000 persons were injured in Michigan auto accidents and nearly 1,800 were killed. Among the injured and the dependents of the fatally hurt who were insured by the Michigan companies the no-fault protection was universally well-received, and this undoubtedly was true of all others.



Companies have stressed prompt payment and in most instances it has been made within a few days of the receipt of proof of doctor and hospital bills, income loss, and replacement of services which an injured person would have done for himself. Dependency benefits, which are geared to the maximum \$1,000 a month for three years income loss benefits, have been quickly established and paid. Under the fault system payment could have been made only if another driver was legally liable and after the total amount of the loss was established, both of which often had to be determined by lawsuit.

In all of these injuries and deaths no-fault has paid all medical and hospital costs, plus income loss or dependency benefits when applicable, except to the extent that workmen's compensation, social security or coordination with health benefits was involved. It has paid regardless of who was at fault or whether anyone was at fault. Under the fault system only about half of those injured would have been able to collect from someone else.

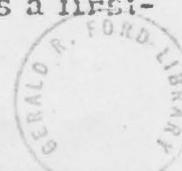
The no-fault benefits have been particularly important for those who have many thousands of dollars of hospital-medical costs which, under the old system, would not have been met by modest auto insurance medical coverage or health insurance, and for those who have extended work loss for which they have little or no other coverage.

The most dramatic effect of the change has been the creation of a new dimension in the role of auto insurance with the critically injured whose only hope for a future with any enjoyment of life, instead of as a helpless bed patient, lies in timely, comprehensive rehabilitation.

Under the fault system, auto insurance could do little to meet their treatment needs. Unless someone else was legally at fault for the injury, auto insurance had no role beyond the possibility of medical payments by the injured person's company, usually not more than \$5,000. If the injury involved a fault claim, the role of auto insurance was for the other motorist's company to defend its insured and, if he was legally liable, to ultimately pay the determined award.

Now the critically injured are assured immediate access to all necessary treatment and rehabilitation, with all of the costs guaranteed directly by their own auto insurer. A number of such cases already are either in or scheduled to go to the best rehabilitation centers in the country, with their initial treatment and lifetime care costs reserved by their insurers at from \$100,000 to \$250,000 each.

In cooperation with Chairman McNeely, we have asked a few of those who have experienced the no-fault benefits, or their close relatives, and some of the specialists in rehabilitation treatment to give you at your hearings a first-hand picture of how the law is working.



RESULTS OF NO-FAULT VEHICLE DAMAGE CONCEPT:

When the Legislature decided to extend the no-fault principle to include damage to motor vehicles it removed a form of protection which motorists long have accepted and relied upon and about which they generally have strong moral convictions.

Taking away the right to recover from an at-fault driver created a total void in vehicle damage recovery for those without collision insurance and a partial one for those with that coverage. The motorist with an old car with too little value to insure, one who feels he cannot or does not want to pay for collision insurance, and those who ignore collision coverage because they are convinced that any damage would be another driver's fault are accustomed to expect payment when someone else is at fault. Now that right to collect is gone. The great majority, who buy collision insurance, also expect to recover their deductible along with the rest of the damage if another is at fault. That right also was removed.

This condition has been remedied for most motorists by the offering of two new forms of collision insurance. One, called limited collision, pays for vehicle damage only if another is at fault. The other, called broadened collision, pays the deductible along with the rest of the damage if another is at fault.

When the no-fault law became effective, companies applied limited collision without charge to the policies of those without collision coverage, and broadened collision without charge to those with collision coverage. At the first policy renewal, the new coverages and their rates were explained and motorists were given the option of buying either of these or regular collision coverage with a deductible. Limited collision rates were the lowest of the three. Broadened collision rates were slightly higher than those for standard deductible collision. In addition, some companies provided limited collision with a deductible to give the motorist a lower rate.

The response among motorists differed by company, but in general about 70 to 80 per cent took either regular or broadened collision, 15 to 20 per cent took limited, and 5 to 15 per cent elected to have no collision coverage.

This still leaves those who have no collision insurance unable to collect for any damage to their vehicles, and those who have regular collision or limited collision with a deductible unable to collect the amount of the deductible, and many in this group have been expressing great dissatisfaction.

There are three alternatives for resolving this matter. One is to leave the law as it now is and attempt to educate those who are complaining that, like all others, they received a rate reduction from the elimination of property damage liability and if they want the substitute protection they must pay for it. Another is to restore property damage liability. The third is to make limited collision coverage, without a deductible, a mandatory part of the no-fault law.



If there is a change, it also should involve consideration of the status of the present residual property damage liability coverage and the property protection insurance provision, both of which are part of the overall rates for vehicle damage coverages.

Among the companies, there are differences of opinion as to which might be the better course. We believe it would be helpful to you to hear the different views about this and the reasons for them as you consider this question.

SITUATIONS WHICH NEED CLARIFYING:

The question of school bus coverage already is before you in bill form. Those involving subrogation against pain and suffering awards, the liability limit, and coordination of benefits undoubtedly are drafting oversights requiring technical corrections. We would be happy to discuss these with you when you are ready to review the law after your hearings.

EFFECT OF THE CLIMATE OF LEGAL UNCERTAINTY:

What has happened on the question of whether the no-fault law is constitutional has become an example of the long-delayed court decisions which were one of the motivations for creating a no-fault system.

Shortly after the law was adopted in October, 1972, the Supreme Court was asked to resolve this issue. It ruled only that the Legislature had acted properly in creating the law. Subsequently, two lawsuits in circuit courts have produced decisions which have clouded the law's status. Now, after more than two years, the issue again must go before the Supreme Court and apparently there is little likelihood that it may act for many more months.

If the law should then be thrown out insurers would be faced with the possibility of fault system claims, on top of the no-fault benefits already paid, in injury cases dating back to the October 1, 1973, effective date of no-fault. For the first year, that double payment potential is estimated at 250 million dollars. By the time there is a decision it could nearly double.

With the constitutionality question unanswered, the other serious legal uncertainty in the law also has been left in limbo. This is the question of whether the provision allowing legal action for pain and suffering damages in instances of "serious impairment of body function" will sharply reduce the fault expenses in the insurance system or whether it may open a floodgate of fault claims and lawsuits.

There has been a sharp drop in injury liability claims the past year, but that does not answer the question. Because of the prospect that the courts might restore the fault system, and with a three-year period in which to file suits, many law firms are known to be "stockpiling" suits rather than testing the language of the new law. In recent months, however, companies have begun to receive claims involving the "serious impairment" question.



How the intent of this language is interpreted by the injured and the courts will be a major factor in how the no-fault law will affect the price of auto insurance. If all manner of minor and temporary disabilities are construed to justify pain and suffering damages the fault system will be largely reimposed upon the no-fault system. This would make financing the new costs of unlimited care for all of the injured out of reduced fault costs obviously impossible.

PRESENT COST EFFECT OF NO-FAULT AND THE PROSPECTS:

When no-fault became effective companies adjusted their rates between the new and old coverages to reflect the expected changes in loss exposure. This decreased premiums for those who bought only the mandatory no-fault coverages. It maintained or slightly decreased the former premium for those who also have collision coverage.

In addition, there were larger premium decreases for young drivers, those with low incomes, and retirees, to reflect the fact that they had smaller or less likely exposure to income loss. Retirees are charged only for the risk of services replacement for themselves or an uninsured passenger or pedestrian, or income loss for the latter.

Also, those who have elected to coordinate their no-fault auto insurance with their health insurance have received additional rate reductions.

As a result, the price of Michigan auto insurance, unlike that of almost any other commodity or service, has remained stable or decreased. In most companies rates have not increased since early 1973, for many not since 1971, and some have decreased rates during that period.

The present rates are based on loss experience under the fault system, adjusted to the probable effect of no-fault in the best judgment of the companies, pending the acquiring of adequate actual no-fault experience.

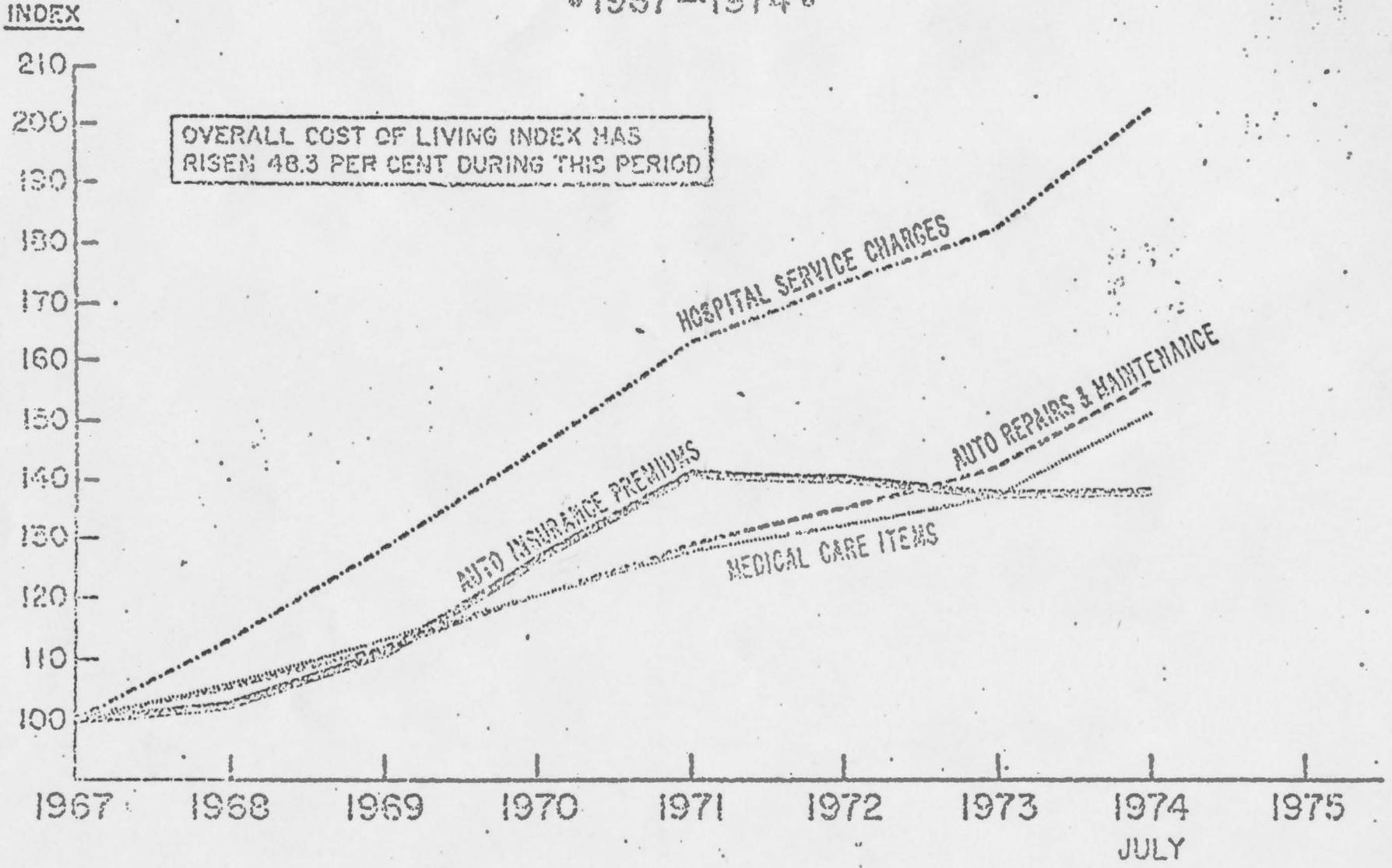
During the past year loss experience generally has improved, but this has had little to do with no-fault. Primarily it has resulted from the sustained decrease in accidents, injuries and deaths produced by the changed driving habits inspired by the energy problem.

Now the effect of the accident decrease is being offset by the sharpest inflation in recent times in the cost of everything which auto insurance pays for. Two graphs depicting the relationship of auto insurance price to those costs are attached. They are based on national figures but are essentially true of Michigan. In the period since last July, where these conclude, doctor's fees have jumped to an annual rate of increase of 19 per cent and hospital charges to an 18 per cent rate. The cost of car repair parts has soared 23 per cent and new car price increases have raised replacement costs some \$500 on 1974 models and a like amount for 1975s.

Because of the conflicting factors in the basic cost trend and the threat of staggering double payments and a flood of pain and suffering suits, it is impossible for insurers to predict at this time what the effect may be on the future of auto insurance price. The loss improvement of the past year could easily be removed quickly by the inflation trend alone, and would be wiped out many times over by an adverse answer to either of the legal uncertainties.

TRENDS IN COSTS OF AUTO INSURANCE PREMIUMS AND OF MAJOR ITEMS FOR WHICH AUTO INSURANCE PAYS

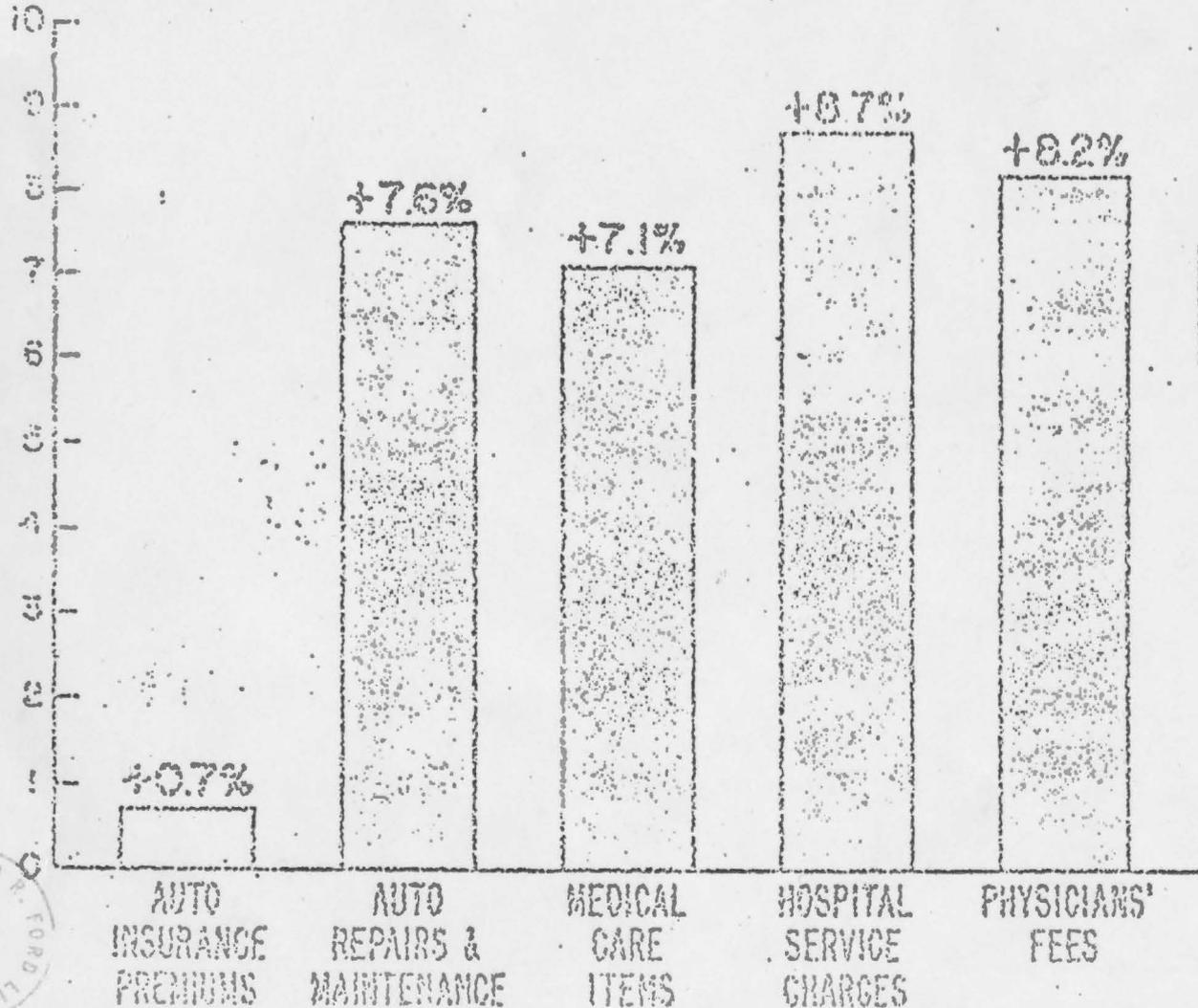
• 1967-1974 •



TRENDS IN COSTS OF AUTO INSURANCE PREMIUMS AND OF MAJOR ITEMS FOR WHICH AUTO INSURANCE PAYS

• DECEMBER 1973—JULY 1974 •

PER CENT
CHANGE



OVERALL COST OF LIVING INDEX HAS RISEN 7.1 PER CENT DURING THIS PERIOD



CONCLUSIONS:

The improvement which the no-fault principle has created in compensating the injured overshadows the conditions which are plaguing it and deserves to be protected by resolving them.

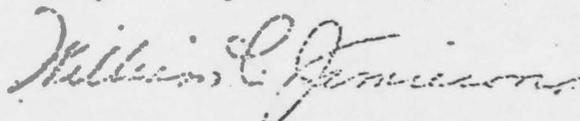
The property damage liability situation should be carefully reviewed to determine how best to relieve those whom it has distressed and to prevent the erosion of confidence in the no-fault principle.

There is nothing you can do, of course, about the constitutionality question, but it is important that you be aware of and understand the threat which it poses to the economics of no-fault protection.

If the "serious impairment" language does become an open invitation to frivolous lawsuits instead of a protection against them we strongly believe that you should reconsider this section of the law.

The people of Michigan now have a tremendously broader and more effective auto injury loss protection at no greater price than the former system and at lesser price for many. Under the conditions it is not possible to predict whether the economics of this change will improve or worsen. If there are savings, the Michigan companies and others are pledged to pass them on to their insured motorists. If the costs increase, we will have no choice but to pass them on also.

Respectfully submitted,



William P. Jamieson, President
Michigan Association of
Insurance Companies

WPI:fs

Atts. 2.



NO-FAULT CAR INSURANCE



12-B Friday, Nov. 15, '74 DETROIT FREE PRESS

**IF YOU JUDGE IT
ON BROKEN PEOPLE
... IT'S BEEN A BOON.**

We've all lived with No-Fault car insurance for a little over a year now.

In certain ways it has proven to be one of the greatest innovations since the Salk vaccine, and in other ways, one of the worst since the Edsel.

Thanks to No-Fault, every motorist, passenger and pedestrian who is injured in a car accident is entitled to medical benefits

In one classic example here at AAA, we had a little girl whose spinal cord was damaged in a car accident.

She has spent the better part of the last year in four different hospitals. And she will need a live-in therapist when she finally comes home.

Every pill, every crutch, every time a doctor exercises her legs—all medical expenses caused by the accident—will be paid for the rest of her life, thanks to No-Fault.

The key point is that her benefits were immediate and unlimited without ever having to go into court over who was at

tation—for me, if necessary, resulting from an auto accident.

Ponder the magnitude of that statement.

system of car insurance.



IF YOU JUDGE IT ON BROKEN FENDERS ... IT'S BEEN A BUST.

Eight out of every
ten car
accidents,
however,
are the

crumpled fender kind, as opposed to the personal injury type.

And this is where No-Fault breaks down.

The classic case here is that of the motorist waiting at an intersection for the light to change. And whammo, someone piles into the rear of his car.

The Michigan No-Fault law says that he must pay for his own car damages unless, of course, he bought collision insurance—a hardship purchase, we might add, for a person with a limited income and an older car.

But even if his collision damages are covered, he may have to pay a deductible even though he was not at fault in the accident.

And to us, that part of the No-Fault system just does not make sense.

Florida, too, had a system for handling car damages under No-Fault until their courts declared it unconstitutional.

Today, only one other state besides Michigan (out of the nation's 23 No-Fault states) treats payments for collision damages similar to the way we do under No-Fault.

The Exchange at AAA was against including provisions for handling property damages under the No-Fault law before it was passed by the Michigan legislature over a year ago.

But we said, "We'll try to make it fly."

Well, it has flown alright, but not nearly as well as it could or should.

No-Fault has been a tremendous success when it comes to the repair of broken people, and a disappointing failure when it comes to the repair of broken fenders.

And we think it's high time that our legislators correct the Michigan No-Fault law by taking property damage provisions out of it, so that Michigan will have the best possible system of car insurance available anywhere in the nation.

We want to do more for you.



Michigan

Detroit Automobile Inter-Insurance Exchange

THE WHITE HOUSE

WASHINGTON

ACTION

May 2, 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CANNON
SUBJECT: NO-FAULT AUTOMOBILE INSURANCE

Secretary Coleman is scheduled to testify on no-fault automobile insurance on Monday, May 5.

The purpose of this memorandum is to seek your guidance on this issue.

Background

At the consumer meeting in April, you asked me where we stood on the no-fault automobile insurance issue.

Jim Lynn has prepared a memo discussing the issue (Tab A).

Issues and Options

Two basic issues are presented:

Issue #1 Should the Federal Government mandate State Governments to adopt mandatory automobile insurance coverage using a no-fault system?

Arguments for:

- . The only way in which the remaining States that do not now have mandatory coverage and a no-fault system will adopt such a system is through Federal mandate.
- . There are likely to be significant dollar savings to the consumers through the adoption of a no-fault system.



- . The establishment of uniform minimum Federal standards will ease the administrative burdens imposed on insurers by virtue of the current patchwork quilt of differing State laws and will simplify recoveries by insureds.

Arguments against:

- . Insurance regulation, automobile and drivers registration, enforcement of traffic laws and court adjudication of automobile-related disputes have traditionally been a responsibility of the States. Federal legislation establishing minimum standards for no-fault would encroach upon State responsibility and run counter to your philosophy relating to the decentralization of government.
- . Sixteen States now have a no-fault system covering 42 percent of all licensed drivers. Nine other States have adopted "add-on" laws which provide some form of no-fault coverage. Most States not now having no-fault will consider no-fault proposals this year. If California adopts a no-fault law, over 50 percent of the Nation's licensed drivers will be covered by no-fault.
- . The National Governors Conference opposes the adoption of national no-fault or mandated standards for automobile insurance.

Options

1. Support Federal minimum no-fault standards.

Those favoring this option include Secretary Coleman, Secretary Hills, Virginia Knauer and Jim Lynn.

2. Continue to favor State action and oppose Federal no-fault legislation.

Those favoring this option include the Attorney General, Phil Buchen and Jim Cannon.

Bill Suddiman



Recommendation

I recommend you select option 2.

Decision

Option 1 _____ (Coleman, Hills, Knauer, Lynn)

Option 2 _____ (Attorney General, Buchen, Cannon)

Issue #2

If you decide to support some Federal involvement in no-fault automobile insurance, what approach do you favor?

Options

There are essentially two alternatives being actively considered.

1. Alternative One

The Magnuson-Hart Bill (S.354). This sets minimum no-fault standards, and each State must pass laws conforming to these standards. If the Secretary of DOT determines that the State does not meet the standards, the Federal law automatically pre-empts the State insurance laws.

Arguments for:

- . This is the bill which passed the Senate last year. It is the stronger of the two alternatives and has very strong labor support. (The unions see no-fault as a future bargaining objective as part of a package of employer-financed coverage.)

Arguments against:

- . This involves the most direct Federal involvement and could well lead to an increased Federal role in the future (e.g., in setting rates or coverage requirements). The Attorney General questions the constitutionality of requiring the States to administer a Federal insurance law if they fail to adopt a similar one of their own.

2. Alternative Two

Amended S.354 (Kemper Plan) provides that the Governor of each State must certify to the Secretary of DOT that his State law meets the Federal no-fault standard. If the Secretary questions the certification, he must submit the issue to the courts, which would then determine whether or not the State law conformed with the Federal standards. If the court determines that the State law does conform, there would be no further Federal role. If the court determines that the State law does not conform, the Secretary must (no discretion) withhold Federal highway funds from that State.

Arguments for:

- . Limits Executive Branch involvement to essentially a passive role and, therefore, the Federal role is less likely to increase in the future.

Arguments against:

- . Will likely be opposed by highway program advocates. Gives the courts responsibility for determining whether complex State insurance laws conform to Federal standards.

Decision (If you decide to support some Federal no-fault law)

Option 1 Support Magnuson-Hart Bill (S.354).

Those favoring this option include Secretary Coleman and Virginia Knauer.

Approve _____

Disapprove _____

Option 2 Support highway fund cut-off approach.

Those favoring this option include the Attorney General, Phil Buchen, Jim Lynn, and ~~Jim Cannon~~.

Approve _____

Disapprove _____



THE WHITE HOUSE

WASHINGTON

May 2, 1975

MEMORANDUM FOR THE PRESIDENT

FROM: PHILIP BUCHEN
RODERICK HILLS R.H.
KENNETH LAZARUS

SUBJECT: No-Fault Motor Vehicle Insurance Act (S. 354)

Although data is still incomplete, the following observations can be made about a no-fault system:

- (1) No-fault does deliver a larger part of each premium dollar to accident victims than does the more traditional tort system.
- (2) No-fault does distribute dollars more equitably and faster to accident victims.
- (3) While no-fault does appear to be a better system on the basis of experience to date, S. 354 provides for broader coverage than traditional tort systems. Thus, it is not at all clear that the premiums under S. 354 would be reduced over the long run.
- (4) Also, only one state, Michigan, has a no-fault statute with coverage as broad as that contemplated by S. 354.

There are several reasons, under the present circumstances, why S. 354 can be regarded as an unwarranted, or at least a premature, intrusion of the Federal Government into the affairs of the states:

- (1) The National Governors Conference strongly opposes a federal no-fault statute and the Governors of several states with no-fault have actually opposed the imposition of federal control.
- (2) Other states (e. g. , California) seem to be close to enacting their own statutes.
- (3) Much of the public support for no-fault is based on the unwarranted belief that it will reduce premiums substantially.
- (4) The experience of the states having no-fault is still sufficiently mixed as to cloud a final appraisal of what kind of coverage was the "best".
- (5) The Attorney General feels strongly that imposition of a federal standard of no-fault now would be an unprecedented intrusion in a traditional state matter.

The Department of Transportation has encouraged states to adopt no-fault and has provided considerable technical assistance to the states. One can conclude that that is a better form of federalism at this time. The Administration can again issue strong support for no-fault on a state by state basis, and it can consider other ways to help the states help themselves.

Finally, it should be noted that informal observers expect a substantial increase in insurance premiums for auto insurance next year. This fact (if it occurs) together with the fact that the House has not yet considered the matter in depth may speak for an Administration position such as that set forth above, i. e. ,

Oppose S. 354 at the present time, but await the development of further facts in Congressional hearings before taking a firm position.

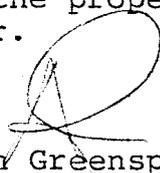
THE CHAIRMAN OF THE
COUNCIL OF ECONOMIC ADVISERS
WASHINGTON

May 2, 1975

MEMORANDUM FOR JERRY JONES

RE: Federal No-Fault Motor Vehicle Insurance

Essentially this issue involves matters and choices about which the Council of Economic Advisers has little to say. We do see some merit, however, in the Justice Department's reservations regarding the proper role of the Federal government in this matter.


Alan Greenspan



THE WHITE HOUSE

WASHINGTON

May 2, 1975

MEMORANDUM FOR JIM LYNN

FROM: L. WILLIAM SEIDMAN

SUBJECT: Federal No-Fault Motor Vehicle Insurance

The President has a long record of supporting the position that no-fault motor vehicle insurance is a state issue. Since, as a general policy, we are attempting to reduce federal regulation, I see no reason to change or transcend that policy in this case.

If the citizens of a state wish to adopt or reject no-fault insurance, they can do it without the help of those of us in Washington, D.C. All too often, what begins as a good idea ends up as federal regulation, encrusted with barnacles.



THE WHITE HOUSE

WASHINGTON

ACTION

May 2, 1975

MEMORANDUM FOR: THE PRESIDENT
FROM: JIM CANNON *J.C.*
SUBJECT: NO-FAULT AUTOMOBILE INSURANCE

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The purpose of this memorandum is to seek your guidance on this issue.

Background

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Two basic issues are presented:

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- . The only way in which the remaining States that do not now have mandatory coverage and a no-fault system will adopt such a system is through Federal mandate.
- . There are likely to be significant dollar savings to the consumers through the adoption of a no-fault system.

- . The establishment of uniform minimum Federal standards will ease the administrative burdens imposed on insurers by virtue of the current patchwork quilt of differing State laws and will simplify recoveries by insureds.

Arguments against:

- . Insurance regulation, automobile and drivers registration, enforcement of traffic laws and court adjudication of automobile-related disputes have traditionally been a responsibility of the States. Federal legislation establishing minimum standards for no-fault would encroach upon State responsibility and run counter to your philosophy relating to the decentralization of government.
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- . The National Governors Conference opposes the adoption of national no-fault or mandated standards for automobile insurance.

Options

1. Support Federal minimum no-fault standards.

Those favoring this option include Secretary Coleman, Secretary Hills, Virginia Knauer and Jim Lynn.

2. Continue to favor State action and oppose Federal no-fault legislation.

Those favoring this option include the Attorney General, Phil Buchen and Jim Cannon, and Bill Seidman.



Recommendation

I recommend you select option 2.

Decision

Option 1 _____ (Coleman, Hills, Knauer, Lynn)

Option 2 _____ (Attorney General, Buchen, Cannon)

Issue #2 If you decide to support some Federal involvement in no-fault automobile insurance, what approach do you favor?

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Arguments against:

- . Will likely be opposed by highway program advocates. Gives the courts responsibility for determining whether complex State insurance laws conform to Federal standards.

Decision (If you decide to support some Federal no-fault law)

Option 1 Support Magnuson-Hart Bill (S.354).

Those favoring this option include Secretary Coleman and Virginia Knauer.

Approve _____

Disapprove _____

Option 2 Support highway fund cut-off approach.

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Approve _____

Disapprove _____



THE WHITE HOUSE

WASHINGTON

ACTION

May 2, 1975

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