

# No-Fault House Bill 4612 Capping PIP Benefits Stalled ... For Now

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April and May 2013 were surrounded with political buzz generated by House Bill 4612, which proposed a cap to the current unlimited benefits for catastrophic no-fault claims of \$1 million.

Other proposed changes included, but were not limited to, a fee schedule for medical care and a heightened standard under MCL 500.3107(1)(a), allowing only those expenses consisting of "medically appropriate products, services and accommodations" for a claimant's care, recovery or rehabilitation that are "reasonably likely to result in . . . lasting improvement."

The bill would have also closed the current Michigan Catastrophic Claims Association (MCCA) and opened a new Catastrophic Claims Association that would have reimbursed insurers for losses between \$530,000 and \$1 million in benefits. The proposed bill was estimated to save up to \$125 per year in premiums per vehicle.

On May 2, the state House Insurance Committee voted to move Bill 4612 to the full House, but many believe, particularly the bill's opponents, that the bill lost steam because no vote has been taken on its passage to date. Peter Khunmeunch, Executive Director of the Insurance Institute of Michigan, made the following statement to Michigan Lawyers Weekly:

"We're still hopeful they will take it up and consider it, but I'm not aware of any specific plans. People are trying to figure out where the votes are . . . I'm not aware of any specific plans. Everyone wanted to take the summer and discuss what changes, if any, what could garner votes . . ."

According to a recent article in *Michigan Lawyers Weekly* regarding HB 4612, representatives of the plaintiff's bar, including general counsel for the Coalition Protecting Auto No-Fault, George Sinas, believe that the bill did not have enough votes to pass before the house broke for summer recess, and the bill, in its current state, is likely to die or give way to another proposal.

NO-FAULT HOUSE BILL 4612 CAPPING PIP BENEFITS STALLED ... FOR NOW Cont.

The lines have been drawn on this issue for a number of years now, but as proposals like Bill 4162 and its predecessors continue to be refined, look for new movement on this issue as the House gets back in session. Stay updated with Plunkett Cooney's *Legal Trend* for future developments on this issue.