

Local GOP lawmakers solidly back no-fault reform

BY TIM RICHARD STAFF WRITER

Many "reform" bills pass one chamber of the Michigan Legislature and die in the other.

That's unlikely to happen with the cost-cutting House Bill 4186 amending the no-fault auto insurance law.

It was interesting to see them (Democratic leaders) lose control," said Rep. John Jamian, R-Bloomfield Township.

Passage in the House, which is split 55-55 between the parties, was assured when Republicans remained solid and lured in 11 Democratic votes.

Democrats offered 30 amendments during an eight-hour session and lost all but the minor ones.

The bill will be taken up Tuesday by the Senate Insurance Committee. And since Republicans have 20-16 control and at least one Democrat supports the bill, prompt Senate passage seems certain. Gov. John Engler, a Republican, is looking forward to signing it. It would take effect about April 1, 1994.

A reform bill almost passed the

LANSING

House in mid-1992, when 10 Democrats jumped ship to vote with the Republicans. But Democratic leaders Lew Dodak and Pat Gagliardi halted the roll call vote and adjourned the session.

That couldn't happen last week. In the chair were Republican Speaker Paul Hillegonds of Holland and Associate Speaker pro-tem Jan Dolan of Farmington Hills.

Cuts costs

Essentially, the 109-page bill aims to reduce auto insurance rates 16 percent by reducing required coverage, restricting choices in medical care and approach of mandating insurance rate cuts.

An average driver paying \$636 would see insurance rates drop by \$100, Michigan ranks 17th nationally.

"Everybody sacrificed," said Jamian, who is in the health care business. He added that suburban rates won't be as tightly tied to Detroit, which has the highest losses and rates in the state.

Although personal injury, property protection and residual liability insurance are required, an estimated one million Michiganders drive uninsured.

How they voted

Final passage came on a 65 to 43 vote. Observer & Economic area lawmakers followed party lines:

YES — Republicans Penny Criesman of Rochester, Barbara Dobb of West Bloomfield, Jan Dolan of Farmington Hills, John Jamian of Bloomfield Township, Shirley Johnson of Royal Oak and Greg Kaza of Rochester Hills.

NO — Democrat Maxine Berman of Southfield.

Most controversial issue: "catastrophic claims," usually closed-head or spinal injuries that cost astronomical sums to treat. In less than a decade, \$6 million of insurance on this item has soared from \$3 to \$118.66 a year.

The reform bill reduces required coverage to \$1 million but allows consumers the option of buying up to \$5 million.

Said co-sponsor Bill Martin, R-

Battle Creek: "\$1 million covers 99.7 percent of the auto accident victims. That's a good number." Martin argued that even \$1 million is four times as high as most other states require.

Juries capped

Republicans won a major victory in restricting what juries can decide.

Currently, lawsuits for "pain and suffering" require that the injured person suffer death, permanent serious disfigurement or serious impairment of body function. A court ruling leaves decisions to a jury, which in southeastern Michigan has a reputation for generosity.

The reform bill makes it "a question of law for the court" — a judge rather than a jury.

Rep. Tracy Yohick, D-St. Clair Shores, a labor-backed lawmaker, offered an amendment to leave the question to a jury. She lost, 52 to 53, on nearly a party-line vote.

The new bill prohibits a person who was more than 50 percent at fault from suing for damages.

Rep. Nick Ciaramitaro, D-Roseville, sought to raise that threshold to 80 percent but lost 47 to 59.

Suburbs helped

Current law ties suburban rates to those in Detroit.

The reform bill eliminates that tie. It prohibits a city from being chopped into different rating zones. It requires that any rating zone contain at least 60,000 registered automobiles.

AAA Michigan, the state's largest auto insurer, charged last year that auto insurance was being used to subsidize hospitals. AAA said auto insurers were paying 133 percent of actual costs while Medicaid and Medicare were paying just 80 percent.

The new bill caps payouts to hospitals at 113 percent of costs.

The Michigan Association of Trial Lawyers, a plaintiffs group, was hit by one provision of the reform bill. Typically, trial lawyers working on a "contingency" basis

collect one-third of the jury award as their fee.

The reform bill caps attorneys fees at 40 percent for the first \$5,000; 35 percent for awards between \$5,000 and \$25,000; 25 percent for awards between \$25,000 and \$250,000; 20 percent for awards between \$250,000 and \$500,000; and 10 percent for awards greater than \$500,000.

How lobbies stand

Supporting the bill are Engler's Commerce Department, AAA Michigan, and Professional Independent Insurance Agents of Michigan.

Opposed are the Michigan Insurance Federation, which said cost savings aren't equal to rate reductions; Michigan Hospital Association, Michigan State Medical Society, Michigan Head Injury Alliance, Michigan Trial Lawyers Association, New Detroit Inc., and Advocacy Organization for Patients and Providers.

The Associated Press contributed to this story.

County GOP features House co-speaker

Michigan Republican Speaker of the House Paul Hillegonds is keynote speaker at the Oakland County Lincoln Republicans Club's 104th Anniversary Ban-

quet. It all starts at 6:30 p.m. Friday, March 19 at the San Marino Club in Troy.

This grassroots function dates

back to Feb. 12, 1890 when the first banquet was held. Today, it's an opportunity for all Oakland County Republicans to celebrate President Lincoln's birthday to-

gether. Tickets are \$25 per person and may be purchased by calling the Oakland County Republicans at 681-1990.

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NOTICE OF PUBLIC HEARING ON PROJECT PLAN FOR COMBINED SEWER OVERFLOW CONTROL FOR THE BIRMINGHAM CSO AREA

NPDES PERMIT NO. MI 0025534

NOTICE IS HEREBY GIVEN: That the Office of the Oakland County Drain Commissioner will hold a Public Hearing on Monday, March 19, 1993 at 7:29 P.M. at Birmingham City Hall located at 151 Martin Street, to present information to the Birmingham CSO Area Project Plan, including estimated user costs, and receive comments and views of interested persons.

The Project Plan contains alternate solutions to control the pollution in the Rouge River caused by Combined Sewer Overflow (CSO) from the Birmingham CSO Area.

THE PURPOSE OF THE HEARING IS TO RECEIVE COMMENTS FROM CITIZENS AND INTERESTED PERSONS ON THE PROJECT PLAN AND ENVIRONMENTAL IMPACTS OF PROPOSED ALTERNATE SOLUTIONS.

TAKE FURTHER NOTICE: That copies of the Draft Project Plan will be available for public inspection on or after March 1, 1993 at the following locations:

Oakland County Drain Commissioner's Office
No. 1 Public Works Drive
Waterford, Michigan 48318-1807

City of Birmingham
151 Martin Street
Birmingham, Michigan 48012

TAKE FURTHER NOTICE: That the alternatives proposed and contained in the Draft Project Plan are:

Alternative 1
Collection, storage, and treatment of overflow - Construction of one (1) Retention Treatment Basin (RTB) and required collection sewers to comply with the requirements of the Birmingham CSO Area, National Pollutant Discharge Elimination System (NPDES) Permit No. MI 0025534. This RTB is located in Linden Park, adjacent to Shirley Road, north of Lincoln Road. Probable future requirements of the NPDES Permit will be discussed.

Alternative 2
Sewer Separation - Construction of sanitary and/or storm sewers in all City streets to separate combined sewers.

TAKE FURTHER NOTICE: That written communications will be accepted up to and including seven (7) days after the date of the Public Hearing. All written communication shall be addressed to:

OAKLAND COUNTY DRAIN COMMISSIONER'S OFFICE
No. 1 Public Works Drive
Waterford, Michigan 48317

GEORGE W. KUHN,
Oakland County Drain Commissioner

Public February 25 & March 16, 1993

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