

## A Few Words From The President...



Jay O'Dell; MPA President

As it has been some time since we have generated a membership-wide communication, we are pleased to share recent updates, those still to come and our vision for the direction of the organization! Our focus is to bring new life to the MPA and build membership through a renewed interest.

In recent months, we have begun the process to revitalize the MPA with an updated website and newsletter. You can expect to see the updated newsletter "MI Parking Spot" every June and November. The website will include opportunities to post job openings, industry related RFPs as well as an expanded list of parking/mobility resources available to members and opportunities for participation in Board sub-committees.

Some other exciting new initiatives will include a new logo (see above in the header!), and easier access for participation in polls and membership voting. We have also generated Board approved edits to the existing By-Laws and will be presenting these for your approval.

So, while we have been busy

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## Michigan's Auto Insurance Law Changes Completely



By Lauren Gibbons | lgibbon2@mlive.com

The landscape of Michigan's auto insurance market will look a lot different next month. Come July, drivers will have to wrap their heads around major updates to the state's auto insurance policies, which were ushered into law last year as part of a compromise between the Republican-led legislature and Gov. Gretchen Whitmer.

For the first time, drivers will have the option to choose their desired level of personal injury protection (PIP) coverage - and weigh the possible risks that come with that choice should they be involved in an accident. The changes are expected to lower the average cost of auto insurance in the state, but that's not a guarantee for every driver.

A person's choice of coverage level, costs of liability coverage and a myriad of other factors insurance companies are allowed to use when setting costs mean results of the new law will vary widely. Here are some of the factors Michigan drivers should take into consideration as they learn more about what the new law means for them.

### THE BIGGEST CHANGE: YOU CAN PICK YOUR COVERAGE LEVEL

For drivers, the main question is going to be whether they will choose to keep their current level of no-fault coverage, opt-out entirely or switch to a lower tier of coverage allowed under the new law.

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## Parking tickets return to Lansing as businesses reopen

After suspending enforcement of most parking violations across Lansing amid the statewide lockdown, city officials announced today that some ticketing will resume by Monday with maximum stay limits again enforced across metered and unmetered city parking spaces.

The move coincides with the slow re-engagement of Michigan's economy in recent weeks with restrictions having been eased on landscaping, construction, and other outdoor enterprises.

Beginning Monday, anyone parking longer than the maximum stay, such as two hours on

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# Michigan Auto Insurance *continued from page one*



Michigan State Police, Monitor Twp. firefighters and McLaren EMS respond to the scene of a seven-car pileup that reduced northbound I-75 and Labor Day weekend traffic to one lane near M-13 in Bangor Township on Sept. 1, 2017.

People with health insurance that covers auto-related injuries and senior citizens with eligible Medicare plans will be allowed to fully opt-out of PIP coverage.

Other drivers can choose to maintain unlimited PIP coverage or choose coverage plans capping out at \$500,000, \$250,000 or \$50,000 for Medicaid recipients.

The law requires rate reductions on the PIP portion of auto insurance premiums for the next eight years. The mandated reductions in the new law range between a 10 percent average for unlimited coverage and 100 percent for those who opt-out.

Critics of the new law have pointed out capped PIP coverage won't get Michigan motorists very far in medical costs if a catastrophic accident occurs, and many industry insiders are recommending drivers stick with unlimited no-fault coverage.

Another factor to consider: If a driver seriously hurts or kills someone in a car accident, there's no longer a guarantee that the other person had unlimited no-fault coverage. Injured drivers without unlimited no-fault can sue for damages if their own policy doesn't foot the bill.

The new law increases the default bodily injury coverage for motorists up to \$250,000 for a person hurt or killed in an accident and up to \$500,000 for an accident where more than one person is hurt or killed, and the minimum bodily injury coverage a driver

can purchase under the new law is up to \$50,000 for a person hurt or killed and up to \$100,000 if several people are hurt or killed.

## **DRIVERS CAN CHOOSE TO PURCHASE ADDITIONAL BODILY INJURY COVERAGE**

People who don't opt into unlimited PIP coverage won't have to pay the Michigan Catastrophic Claims Association vehicle assessment fee as long as the MCCA isn't in deficit.

The MCCA, a statutorily-established nonprofit that reimburses medical costs after \$580,000 for Michigan motorists with no-fault who sustain serious injuries in auto crashes, slashed its annual fee to \$100 for the period beginning July 2 in anticipation of the law change.

## **SAVINGS PROJECTED, BUT RESULTS MAY VARY**

The latest numbers from the Department of Insurance and Financial Services estimates that the average statewide savings on PIP costs will exceed the requirements under the auto insurance law.

With 99.54 percent of Michigan's personal auto insurance market accounted for, DIFS projects the

statewide average minimum reductions on PIP costs will be 15.5 percent for those with unlimited coverage. Average savings are projected to increase if people choose lower levels of PIP coverage, up to 53.3 percent for those who pick the \$50,000 PIP coverage option.

That said, auto insurance premiums can vary quite a lot person to person, and PIP isn't the only contributor to auto insurance costs.

In addition to cost variables based on what PIP coverage and liability levels drivers pick, insurers are also allowed to set prices based on a number of factors like driving record, credit history and territory - meaning drivers in certain parts of the state could still see higher rates.

The new law defines redlining as refusing or limiting insurance coverage based on location and prohibits insurers from doing it. It also prevents insurers from setting or maintaining rates based on gender, marital status, homeownership, education level, occupation, zip code or credit score.

While the bill bans the use of credit scores, there is no language banning insurers from using aspects of a person's credit history to determine rates.

Insurers are also allowed to group auto insurance risk by territory, which critics of the legislation said would negate the ban against using zip codes as a factor.

Consumer advocates argue non-driving factors like these lead to far higher rates for those in low-income or minority communities.

Other states have also taken steps to remove certain non-driving factors from the equation, but Michigan's blanket ban on several factors make the restrictions among the most extensive in the country.

## **The biggest change: You can pick your coverage level**

### **NO PENALTIES FOR PREVIOUS COVERAGE LAPSE**

Previously, Michigan drivers who had allowed their coverage to lapse incurred a financial penalty or possible coverage limits when they signed back up for auto insurance.

That's not the case now - when the new law takes

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## Insurance *continued from previous page*

effect, insurance companies won't be allowed to increase a driver's premium, charge a reinstatement fee or limit coverage for people who previously didn't have auto insurance coverage for 18 months. More changes still on the way

July's changes aren't the last of the reforms agreed to last year, which will likely factor into future auto

insurance costs for drivers.

Another major shift sets a fee schedule for what health providers can charge when treating auto-related injuries, and would be based on a percentage of Medicare reimbursement.

That will be implemented in July 2021 and be phased

in over time, capping out at 190 to 230 percent of Medicare rates in 2023 when fully phased in.

### **DRIVERS WILL ALSO GET COVID-19 PANDEMIC CREDIT**

Michigan drivers will also see a little relief from their insurance companies due to the COVID-19 pandemic.

*[Read more at mpatoday.org/news](https://mpatoday.org/news)*

## Parking Tickets *continued from page 1*



Washington Square, will be subject to a violation. Downtown parking garages will also return to normal operations on Monday. Typical permits and fees for those spaces will again apply.

By June 1, enforcement of metered parking will also resume — with changes. The minimum stay at parking pay stations will be reduced from one hour to 15 minutes. A 30-cent fee has also been added to all credit card transactions to help offset the city's parking expenses.

The city's latest ordinance on overnight parking will also

be enforced on June 1. All residents that park on streets between 2-5 a.m. will be required to have a permit or risk citations. Additional details and an application process are available at [lansingmi.gov/parking](https://lansingmi.gov/parking).

City officials said that resuming parking enforcement will help support businesses as they reopen their doors, as well as downtown workers as they begin to return to their jobs. After the pandemic first hit, only safety hazards or blocked streets had been enforced by city officials.

*[Read more at mpatoday.org/news](https://mpatoday.org/news)*



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ABOUT UPCOMING  
BOARD NOMINATIONS!**

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## President's Letter *continued from front page*

as of late, keep tuned in as more new and exciting information is shared regarding our 2020 conference, professional development and inclusion of mobility related resources. All of this is being done to encourage you to become more engaged and draw in new members. Remember, as the new logo suggests this is MI (my) Parking Association and Your Parking Resource! That applies to every member.

Respectfully and with Excitement,

Jay O'Dell  
MPA President

## CALLING FOR BOARD NOMINATIONS!

**If you or someone you know would like to continue to advance the mission of the Michigan Parking Association, please nominate them below. Being involved with the Board of Directors of the MPA gives you the voice to help the organization grow and continue to support the parking professionals of Michigan. Please consider helping the organization in this way and nominate a board member today.**



**Email your MPA Board Nominations to [dnyenhuis@ellisparking.com](mailto:dnyenhuis@ellisparking.com)**



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