



MICHIGAN CATASTROPHIC CLAIMS ASSOCIATION

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MCCA Sets 2023 – 2024 Insurance Company Assessment

Livonia, MI – The assessment paid per insured vehicle to the Michigan Catastrophic Claims Association (MCCA) will increase for the period July 1, 2023 to June 30, 2024. The assessment amount will vary, depending on the level of personal injury protection (PIP) coverage drivers choose.

Those opting for unlimited PIP benefits will see an increase to \$122, or 42% higher than the 2022-2023 assessment of \$86. The \$122 assessment consists of \$74 to pay for anticipated new claims and an additional \$48 assessment to address an estimated \$ 3.7 billion deficit as of June 30, 2022. Drivers choosing lower levels of PIP coverage, or no PIP coverage, will pay an MCCA assessment of \$48 beginning July 1, 2023 to address the deficit. This is an increase of \$48 over the 2022-2023 assessment, when there was a \$0 deficit assessment.

The following table sets forth the assessment information:

Assessment Period	Pure Premium (costs of anticipated new claims)	Deficit Recoupment	Total Assessment
2023 - 2024			
Opting Unlimited PIP Benefits	\$74.00	\$48.00	\$122.00
Opting Other PIP Benefit Levels	N/A	\$48.00	\$48.00
2022-2023			
Opting Unlimited PIP Benefits	\$86.00	\$0.00	\$86.00
Opting Other PIP Benefit Levels	N/A	\$0.00	\$0.00
Change from 2022-2023			
Opting Unlimited PIP Benefits	(\$12.00)	\$48.00	\$36.00
Percentage Change	-13.95%	N/A	41.86%
Opting Other PIP Benefit Levels	N/A	\$48.00	\$48.00
Percentage Change	N/A	N/A	N/A

Higher-than-anticipated claims costs resulting from the recent Michigan Court of Appeals decision in *Andary v USAA Casualty Insurance Co.*, Court of Appeals Docket No. 356487 (Aug. 25, 2022), which ruled that the family attendant care hourly limits and certain provisions of the medical fee schedule created as part of the 2019 changes to Michigan's No-Fault Act cannot be applied to losses occurring before June 11, 2019, are estimated at \$3.7 billion. Lower than expected investment returns also impacted the MCCA's financial position. An application for leave to appeal the Andary decision is pending in the Michigan Supreme Court, and the MCCA is monitoring proceedings for any changes that may impact the deficit assessment.

Additional information on the MCCA, including claim payment statistics, audit reports, financial statements, the annual consumer report to the Michigan Legislature, and answers to frequently asked questions is available at the MCCA's website, www.michigancatastrophic.com, and from the Michigan Department of Insurance and Financial Services website, www.michigan.gov/difs.