



**The Trusted Voice on Michigan's Auto No-Fault System**

# **CPAN 2010 Annual Report**

216 North Chestnut St. | Lansing, MI 48933 | (517) 882-1096 | [www.CPAN.us](http://www.CPAN.us)



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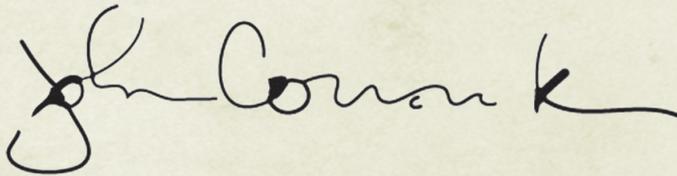
# Message from the President

The following pages provide an overview of the Coalition Protecting Auto No-Fault's activities in 2010 and offer some insight into what can be expected in the world of no-fault policy and politics in 2011.

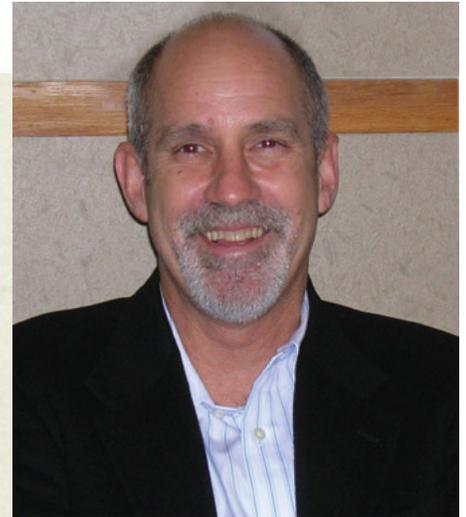
Last year was a year full of action on both the legislative and judicial levels. CPAN submitted several legal briefs on key court cases that helped fight for accident victim's legal rights under the Michigan Auto No-Fault Act. In addition, CPAN advocated in the legislature to end the wrongful denial of claims, ensure transparency in the Michigan Catastrophic Claims Association and provide rate relief for Michigan drivers.

CPAN also entered the exciting new world of social media with the launch of our Facebook page, [Facebook.com/ProtectNoFault](https://www.facebook.com/ProtectNoFault). This new tool has given CPAN a new way to connect with our members and quickly share the latest information coming out of the capitol and our court system.

As always, 2010's successes would not have been possible without the support of our sponsors, members, volunteers and staff. I encourage you to take a moment to review last year's accomplishments and I hope they will encourage you to continue to support our efforts to preserve and protect the promise of a fair and balanced no-fault auto insurance system.



**John Cornack, President**



# 2010 Legislative Activity

The 2009-2010 legislative session began with a flurry of activity. The Democrat-controlled House Insurance Committee completed work on a number of extremely important initiatives that CPAN worked to support:

**Michigan Catastrophic Claims Association Reform** – This legislation proposed to subject the MCCA to an independent audit, FOIA and open meetings act. Currently, the MCCA board is controlled by insurance companies and the Michigan Insurance Commissioner only has ex-officio, non-voting status.

**Ending the Wrongful Denial of Claims** – This seven bill package provided whistleblower protections to those employees working for any insurance company that purposely denies or delays legitimate claims. CPAN members provided emotional testimony from both providers and consumers whose claims were wrongfully denied. The package also provided stiff penalties to insurance companies CEOs that knowingly approved of this practice.

**Rate Reform** – Based on Michigan Automobile and Home Insurance Consumer Advocate Butch Hollowell's comprehensive study on the affordability of auto insurance, this multi bill package addressed a number of aspects impacting auto insurance rates. Reforms included giving the Insurance Commissioner more regulatory authority to deny rate increases and order refunds when rates were found to be excessive. The package also prohibited the insurance commissioner from going to work for a company he or she had just immediately been regulating. Also proposed was the prohibition of using non driving related rating factors to determine insurance rates.

Most of CPAN's legislative packages passed the state House in 2009, but CPAN unfortunately did not have the same success in the Senate in 2010. Despite CPAN's repeated efforts to increase public awareness and gain political traction to move the bills, the Senate Republican majority refused to move or even hold hearings on any of CPAN's legislation.

While political divisions stalled CPAN-supported bills in 2010, member advocacy was critical in stopping bad legislation that allowed consumers to choose lower personal injury protection rates (PIP Choice) and worker compensation fee schedules in both chambers before any hearings were held. Heading into a critical election cycle, legislative leaders were not eager to get into a contentious battle between auto insurers and CPAN member organizations.

Outside the Capitol, CPAN coordinated with its member organizations in the 2010 elections by providing opportunities for volunteers to work for candidates in key races. More than 55 volunteers provided "walking days" for our friendly candidates during the election, which has helped build relationships with key political leaders.

CPAN anticipates the 2011-12 legislative session to be equally busy – if not busier – than the 2009-10 session. The insurance industry is expected to introduce several bills that threaten Michigan drivers' no-fault rights. With the help of our broad membership base, CPAN will continue to advocate in the legislature on behalf of Michigan drivers, accident victims and healthcare providers.



# 2010 Judicial Review

2010 was quite an eventful year for auto no-fault in the Michigan judiciary. As the insurance industry continued its attempt to obtain judicial rulings that limit our auto no-fault system, CPAN's legal counsel and amicus team fought back and ardently advocated on behalf of consumers, health care providers and auto accident victims.

On July 31, 2010, the Michigan Supreme Court issued two very significant decisions in the cases of *McCormick v Carrier* and *University of Michigan Regents v Titan Insurance Company*. In *McCormick*, the Michigan Supreme Court decided to reverse its 2004 decision in *Kreiner v Fischer*. The Court in *McCormick* recognized that the *Kreiner* decision inaccurately interpreted the statutory language of Michigan No-Fault Act and ultimately resulted in a far too stringent rule regarding the types of injuries and impairments a person must suffer in order to pursue a civil action against a drunk or otherwise negligent driver. The *McCormick* decision restores the rights of auto accident victims in Michigan to have a jury, not a judge, decide whether they have been injured enough to hold negligent drivers civilly liable for the physical harm caused by their actions. **Notably, the Court in *McCormick* accepted the CPAN amicus brief that thoroughly addressed the injustice of the *Kreiner* decision.**

In *University of Michigan Regents*, the Court reversed its notorious 2006 decision in *Cameron v ACIA*, in which the Court dismantled over 20 years of case law that sought to protect children and the mentally incompetent from the one year limitation period applicable to legal actions seeking to recover unpaid no-fault benefits. The Court in *University of Michigan Regents* recognized that *Cameron* was wrongly decided and that the case law prior to *Cameron* correctly protected children and the mentally incompetent from the harsh consequences of the one-year limitation period. **Once again, the Court in *University of Michigan Regents* accepted the CPAN amicus brief that explained why children and the**



**mentally incompetent should be afforded greater protections against the time limitations set forth in the Michigan No-Fault Act.**

We were disappointed, however, when a five-year legal battle ended July 8 when a sharply divided Michigan Supreme Court ruled that the state exceeded its authority when it issued an order preventing insurance companies from using credit scoring in determining auto insurance rates. Being late on a credit card payment should have no bearing in determining an insurance premium cost. Any fix must now come from the legislature.

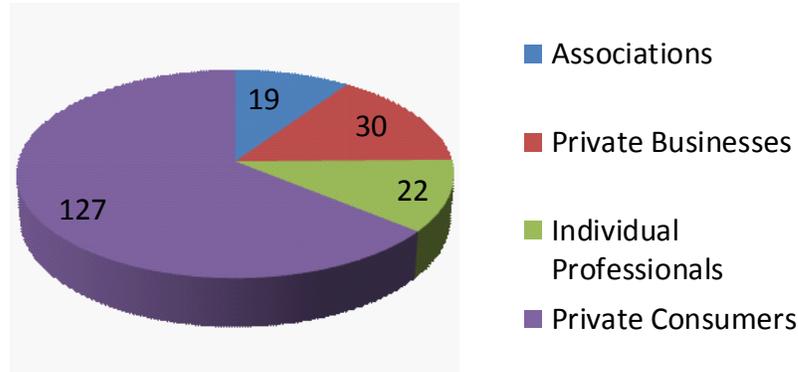
While CPAN helped obtain important judicial victories throughout 2010, the fall elections resulted in significant changes to the composition of the Michigan Supreme Court that may make it even more difficult to protect the rights and benefits of consumers and auto accident victims. However, CPAN is more motivated than ever to ensure its message is heard by the Michigan judiciary. In this regard, CPAN will continue to monitor the Michigan judicial system and write amicus briefs in cases dealing with critical legal issues impacting your auto no-fault rights and benefits.



# 2010 Membership and Financial Report

## CPAN Membership

CPAN's 198 members include a wide variety of state associations, private businesses, professionals and consumers.



## CPAN Finances

### 2010 Revenue: \$239,413.87

CPAN is a membership-funded organization, with nearly all income generated from membership dues and donations.

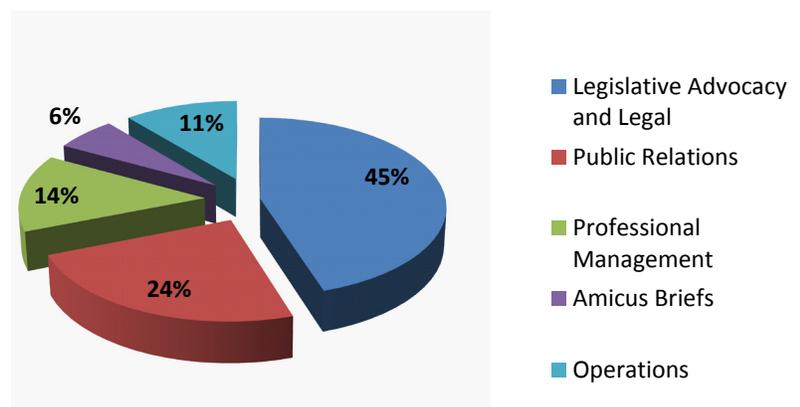
Membership Income	\$239,290.87
Interest	\$132.74

### 2010 Expenses: \$290,362.12

The majority of CPAN expenses support legal and legislative advocacy and public awareness activities on behalf of CPAN members. *NOTE: 2010 expenses are shown as exceeding revenues as a result of a carryover from 2009.*

Legislative Advocacy and Legal	\$130,150.88
Public Relations	\$68,957.30
Professional Management	\$40,181.00
Amicus Briefs	\$17,945.12
Operations	\$33,127.82

### 2010 Expenses as Percentage of Total Budget



# CPAN Leadership

## OFFICERS

President – John Cornack, MBIPC/Eisenhower Center  
1st Vice-President – Collin Ford, Michigan State Medical Society  
2nd Vice-President – Jane R. Bailey, Michigan Association for Justice  
Secretary - Michael Dabbs, Brain Injury Association of Michigan  
Treasurer – Carl Alden, Michigan Association of Chiropractors

## EXECUTIVE COMMITTEE

Michigan Brain Injury Providers Council (John Cornack)\*  
Michigan State Medical Society (Colin Ford)\*  
Michigan Association for Justice (Jane Bailey)\*  
Brain Injury Association of Michigan (Michael Dabbs)\*  
Michigan Association of Chiropractors (Carl Alden)\*  
Michigan Health and Hospital Association (Laura Appel)  
Michigan Orthopedic Society (Bill Kandler)  
UAW Michigan CAP (Kim Teachout)  
Michigan Brain Injury Providers Council (Margaret Kroese)  
George T. Sinas, *Sinas, Dramis, Brake, Boughton, & McIntyre*, General Counsel (ex-officio)  
Kevin A. McKinney, *McKinney and Associates*, Legislative Consultant (ex-officio)

## BOARD OF DIRECTORS

Americare Medical	Michigan Orthotics and Prosthetics Association
Brain Injury Association of Michigan	Michigan Osteopathic Association
Eisenhower Center	Michigan Paralyzed Veterans of America
Michigan Academy of Physician Assistants	Michigan Protection and Advocacy Service
Michigan Assisted Living Association	Michigan Rehabilitation Association
Michigan Association of Chiropractors	Michigan State Medical Society
Michigan Association for Justice	UAW Michigan CAP
Michigan Brain Injury Providers Council	George T. Sinas, <i>Sinas, Dramis, Brake, Boughton,</i> <i>&amp; McIntyre</i> , General Counsel (ex-officio)
Michigan Citizen Action	Kevin McKinney, <i>McKinney and Associates</i> , Legislative Consultant (ex-officio)
Michigan Health & Hospital Association	
Michigan Home Health Association	
Michigan Nurses Association	
Michigan Orthopaedic Society	

\* Denotes CPAN Officer

