



Insurance Institute of Michigan

Insurance Institute of Michigan Position
Motorcycle Helmet Law
Senate Bill 291
House Bills 4008, 4608
As of April 6, 2011

The Insurance Institute of Michigan (IIM) opposes legislation (House Bill 4008 and Senate Bill 291) that would allow motorcyclists to ride without a helmet because it would result in more severe injuries and increase the cost of insurance for all policyholders.

Michigan has a mandatory helmet use law for all riders and passengers. According to the National Highway Traffic Safety Administration, helmets are estimated to reduce the likelihood of death in a motorcycle crash by 37 percent and 69 percent effective in preventing brain injuries.

In 2009, there were 3,451 motorcycle-related crashes in Michigan. That same year, there were 103 deaths and another 2,725 injuries resulting from motorcycle crashes.

If the mandatory helmet requirement is eliminated there will be a significant increase in severe head injuries and deaths from motorcycle crashes. Death rates from head injuries have been shown to be twice as high among motorcyclists in states with no helmet laws or laws that apply only to young riders, compared with states where laws apply to all riders. The National Highway Traffic Safety Administration (NHTSA) estimates that from 1984 through 2006 helmets saved the lives of 19,230 motorcycle riders.

Motorcycle deaths and injuries are on the rise after the repeal of mandatory helmet laws in Florida, Kentucky and Louisiana. The National Highway Traffic Safety Administration found that in the three years after Florida's repeal of its mandatory helmet law in 2000, 933 motorcyclists were killed, an 81 percent increase. Another study found that fatalities grew by more than 50 percent in Kentucky and 100 percent in Louisiana after those states struck down mandatory helmet laws.

Motorcycle crashes also account for a disproportionate share of money paid out of the Michigan Catastrophic Claims Association (MCCA), a fund which is supported by a surcharge on every auto insurance policy in this state. Although motorcyclists represent 2 percent of the assessments paid into the MCCA, they account for 5 percent of all money paid out. Motorcyclists also represent 7.8 percent of all claims reported.

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Since its inception in 1978, MCCA has reimbursed member insurance companies more than \$421 million for 885 motorcycle injury claims exceeding the threshold. If the mandatory helmet law is repealed, serious injuries to motorcyclists will rise. Since Michigan's no-fault law allows lifetime benefits for all "reasonable and necessary" medical costs, the number of claims and the amount paid by the MCCA to reimburse insurance companies will increase, causing all policyholders in Michigan to pay more.

Opponents of the mandatory helmet law believe that it infringes on individual freedom of choice and the right to privacy. They argue that individuals who do not wear helmets harm mainly themselves. However, that is not the case at all. In Michigan, motorcyclists receive special treatment under the no-fault auto insurance law. If a motorcyclist is injured in an accident with an automobile, insurance paid for by the driver of the motor vehicle pays benefits to the motorcyclist, even if the driver of the vehicle was not at fault.

The consequences of the motorcyclist's decision not to wear a helmet is borne by all of society through higher insurance premiums, lost productivity and increased health care costs.

Motorcycle riders who crash without a helmet rack up far larger hospital bills than those whose heads were protected in a crash, according to a University of Michigan (U.M.) study. On average, helmet use led to average hospital costs that were about 20 percent or \$6,000 less than costs for those who didn't wear helmets. For patients who were treated on an inpatient rehabilitation floor at U.M. after leaving the trauma unit, average costs for unhelmeted riders were nearly twice those of helmeted riders.

According to the National Center for Injury Prevention and Control, unhelmeted motorcycle riders are less likely to have health insurance and are therefore more likely to have their medical expenses paid by government-funded healthcare.

The state's mandatory helmet law for all motorcyclists saves lives and holds down costs associated with such crashes and the public supports it. A March 2011 poll by AAA Michigan found that 81 percent of the respondents favored maintaining Michigan's life-saving motorcycle helmet law.

*For more information, contact
Peter Kuhnmuensch or Dyck Van Koevering at 517/371-2880*

334 Townsend ♦ Lansing ♦ Michigan ♦ 48933
(517) 371-2880
www.illmInfo.org

Motorcycle Coverage Issues

Currently under Michigan law, motorcyclists benefit from two specific provisions contained in the no-fault statute.

1. Motorcyclists are exempt from two of the three mandatory insurance requirements imposed on all other drivers in Michigan. (See MCL 3103(1))
 - a. The first of these exclusions, exempts motorcyclists from being required to purchase personal injury protection (PIP) coverage. This otherwise required coverage for motor vehicles (cars and trucks) includes the mandatory lifetime unlimited medical coverage for all “reasonable and necessary medical expenses”, up to three years of lost wages, up to \$20 per day in replacement services, survivors’ loss benefits and funeral and burial expenses.
 - b. The second of these exclusions exempt motorcyclists from the otherwise mandatory \$1 million property protection insurance for damage caused by your vehicle to the property of others.
2. Motorcyclists claim medical care benefits for injuries sustained in an accident with a motor vehicle, not from their own policy (which they are not required to purchase), but from the motor vehicle involved in the accident. (See MCL 500.3114(5)) This provision runs directly contrary to the no-fault structure, under which each party to an accident collects medical benefits from their own insurance coverage.

These exclusions from mandatory coverage and the ability to collect benefits from someone else’s automobile insurance policy, saves motorcyclists significant amounts of money which they would otherwise be required to expend on comparable coverage for the risk associated with operating a motorcycle. Eliminating the mandatory use of helmets while riding a motorcycle in Michigan will only increase the incidence of severe injuries and the costs associated with those injuries. Because of the unique claims priority for motorcycles and the exclusion from the PIP mandate, these costs will be largely born by automobile insurance consumers, and not the motorcyclists themselves.

Also under Michigan law, insurers are required to offer motorcyclists first-party medical benefits only, in increments of \$5,000.00, payable in the event a motorcyclist is involved in an accident that does not involve a motor vehicle (car or truck). Motorcyclists are not required to purchase any of this coverage. (See MCL 3101 (2))

Finally, motorcyclists are subject to the Michigan Catastrophic Claims Association (MCCA) annual assessment, currently at \$145.00 annually. Indirectly, motorcyclists will claim benefits from the MCCA when they claim medical benefits through the no-fault policy of the vehicle involved in an accident with the claiming party, or directly through their own automobile policy if involved in an accident with an uninsured vehicle. They are excluded from access to the MCCA for injuries sustained in accidents not involving a motor vehicle.

However, historical data shows that even with the exclusion from the MCCA for non-motor vehicle accident, motorcyclists draw a disproportionate share of resources from the MCCA. While they have historically contributed 2.13% of all assessment dollars, they represent 7.84% of claims paid and 5.25% of dollars paid by the MCCA.