

PERSONAL AUTO POLICY
POLICYHOLDER NOTICE



Fremont Insurance
Michigan Exclusive Since 1876

PURE MICHIGAN[®]

*No coverage is provided by this notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations Page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THIS POLICY SHALL PREVAIL.***

About Your MCCA Per Vehicle Assessment

As you may have read or heard the Michigan Catastrophic Claims Association (MCCA), which provides unlimited medical coverage for serious auto accident injuries, is increasing \$28 per year, per car effective July 1, 2019. With this increase, the cost of providing this type of coverage is now over \$200 per vehicle per year and is included in your renewal premium.

While you pay this assessment with your auto policy, this assessment is simply collected by insurance companies and sent to the MCCA. The MCCA uses this money to cover the cost of current and future PIP benefits that are guaranteed under Michigan's No-Fault insurance law.

Of the 2019 assessment, 80% is used to pay claims and 19.5% is earmarked to address a \$3.9 billion deficit related to existing claims. In 2018, the MCCA paid out approximately **\$1.2 Billion** in direct claim costs, including \$683 million or 57% - for attendant and residential care.

This is a mandatory assessment to all Michigan auto policyholders. Each year the review of underlying costs and recommended annual charge for the assessment is done by a third party, independent actuarial firm.

Additional information on the MCCA can be found at www.michigancatastrophic.com.

Thank you for being insured with Fremont.