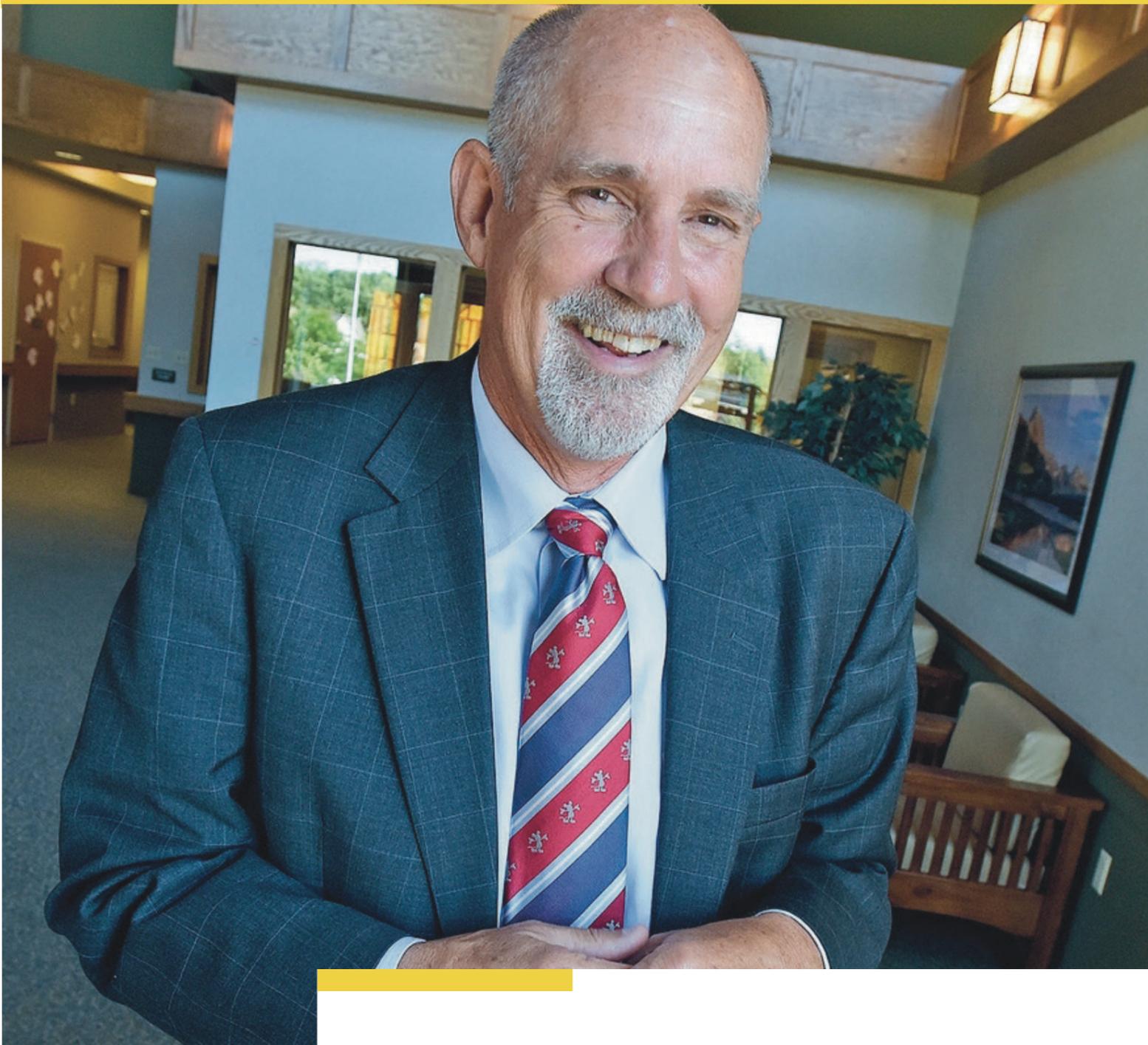




COALITION PROTECTING AUTO NO-FAULT



What happened during the 2016 lame duck session has galvanized CPAN's membership to stay strongly united in its common commitment to find fair, long-term solutions to improving Michigan's auto no-fault insurance system.

— **John Cornack, CPAN President**

PRESIDENT'S MESSAGE

2016 had no shortage of triumphs and challenges, but I am proud to say CPAN has fought hard and remained true to its original principles set forth when our organization was founded. Together, we advocated in the halls of the State Capitol and fought for justice inside our court system to make sure patients' access to quality care remained protected under Michigan's life-saving No-fault Insurance Act.

And while the majority of the year remained relatively quiet on the legislative front, we knew the final months of the lame duck session would be unpredictable and remained vigilant. Our preparation was justified when the Michigan Health and Hospital Association, a founding CPAN member, broke from our coalition in an attempt to broker their own deal with the insurance industry. Thanks to our members' constant barrage of calls and emails to lawmakers, we were able to prevent another bad piece of legislation from being passed.

If anything, what happened during the 2016 lame duck session has galvanized CPAN's membership to stay strongly united in its common commitment to find fair, long-term solutions to improving Michigan's auto no-fault insurance system. And while MHA's actions resulted in their removal from the Coalition and position on the board, we remain committed to working with them and any other organization that is interested in pursuing fair and balanced legislation.

Another highlight of 2016 came with the Michigan Court of Appeals decision supporting CPAN's assertion that the Michigan Catastrophic Claims Association (MCCA) is indeed a public body as defined by Michigan law. In that same case, however, the court split 2-1 in determining whether the MCCA should be exempt from the Freedom of Information Act (FOIA). As a result, CPAN's case is back in the Michigan Supreme Court where we hope to have a hearing early in 2017.

Both our legislative and legal efforts are made possible thanks for the generous support of CPAN's members, which is why it was heartening to see the coalition had three very successful fundraising events in 2016. Our annual golf outing, Survive and Thrive art sale and gala all had record turnout last year.



As we continue our efforts into 2017, there is no shortage of work to be done. I look forward to working with each and every one of you to protect Michigan's no-fault system and ensure the life-saving benefits it offers remain in place long into the future.

John Cornack, CPAN President

LEGISLATIVE REPORT

CPAN was able to make it through the final year of the 2015-2016 legislative session with a no-fault system that remains strong and intact. With the help of our coalition members, we were able to push back on significantly harmful legislation that would have been devastating to accident survivors and providers alike.

2016 legislative efforts supported by the insurance industry included attempts to create a dangerous low-coverage policy for Detroiters (commonly referred to as “D-Insurance”); establish a “one sided” Fraud Authority and phase out and replace the MCCA (SB 248 and 249); as well as a lame duck proposal that would have capped injury care for uninsured children and seniors and imposed caps on in-home attendant care provided to catastrophic accident survivors.

It was this final proposal that was of particular concern because it was supported by both the auto insurance industry and the Michigan Health and Hospital Association (MHA), but CPAN members did not break when faced with adversity. CPAN mobilized a swift response that generated thousands of phone calls and emails into legislative offices.

After successfully holding back the lame duck push, CPAN’s executive committee unanimously voted to expel the MHA from its membership after its failed attempted to broker a deal with the auto insurance industry. This vote solidifies CPAN’s commitment to its founding principles that we will carry forward into 2017’s efforts. However, it does not signify our unwillingness to work with MHA or any others who disagree with us. If anything, CPAN remains even more resolved to work with all stakeholders in the no-fault system – accident survivors and families, health care providers, patient advocates as well as insurance companies – to find long-lasting reforms that are fair and balanced and ensure the no-fault system’s viability for future generations.



If anything, the lesson from 2016 is clear: CPAN needs to work even harder if it is going to create lasting reforms that safeguard our auto insurance system. We need to boldly and aggressively lead lawmakers and our allies along the path toward a reasonable compromise.

This task will not be easy. There are 46 new House members who will need to be educated about the importance of auto no-fault and why it’s worth protecting. Fortunately, we have built strong relationships with legislative leaders and stakeholders across the political spectrum. By working together, we can pass legislation that will improve our no-fault system without compromising the level and quality of care for which it is known.



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– Kevin McKinney, CPAN Legislative Coordinator

BAD LEGISLATION CPAN STOPPED IN 2016

D-Insurance

Senate Bills 248 and 249: Dangerous low-coverage legislation for Detroiters that imposes fee schedules on health care providers and eliminates the MCCA.

HB 5951

A proposal that disingenuously offered to create cheaper options for buyers in Michigan’s auto no-fault market without spelling out how Michiganders with catastrophic injuries will pay for their long-term care.

SB 248

Legislation to establish an insurance industry controlled “Automobile Insurance Fraud Authority” — a one-sided agency meant to investigate the possibility of fraud by the consumer. The bill also failed to include safeguards to protect the consumer from unfair practices, overreach and deceit by the insurer.



LEGAL REPORT

In response to CPAN's many years of successfully blocking insurance industry efforts to pass draconian changes to Michigan's no-fault system in the state legislature, insurance companies have increasingly used the courts to accomplish their goals. Together with our legal team at the Sinas Dramis Law Firm, CPAN has remained vigilant for cases that could set dangerous precedents and negatively impact accident survivors, health care providers and the no-fault insurance system as a whole.

Two key cases CPAN participated in with amicus briefs in 2016 were *Kemp v. Farm Bureau* and *Covenant Medical Center v. State Farm*. Both of these cases are now in the Michigan Supreme Court.

CPAN legal counsel George T. Sinas has described the Covenant case as having the potential to "very well be one of the most significant appellate court decisions in the long history of the Michigan Auto No-Fault Act." While this may seem hyperbolic, a negative decision in the case could mean weakened enforcement of the statutory mandate for full and prompt payment of benefits; impaired access to medical care for accident victims whose bills are not paid; increased hardship for patients who would be forced to pursue legal action to get their medical bills paid; and an increased likelihood of significant medical cost shifting to other sectors of the Michigan health care economy that could occur as a consequence of unreimbursed auto-related medical care.

Because of the significance of Covenant, CPAN legal counsel not only prepared an amicus brief, but directly assisted Covenant's attorney in preparing for the Michigan Supreme Court oral argument, which took place in December, 2016. A decision in this case is expected in early 2017.

CPAN's amicus brief in Kemp is of particular importance because it deals with the legal causation standards that determine whether there is a sufficient relationship between an injury and a motor vehicle to give rise to the payment of no-fault personal injury protection (PIP) benefits. CPAN's concern is that the Court could rule in such a way that substantially narrows the circumstances within which PIP benefits are payable.

The Kemp case is also significant because it will explore another causation doctrine that provides that no-fault PIP benefits are not payable unless the injury is "closely related to the transportational function of a motor vehicle." This judicially-created rule has resulted in a substantial narrowing of PIP benefit availability in cases that do not involve moving vehicles.

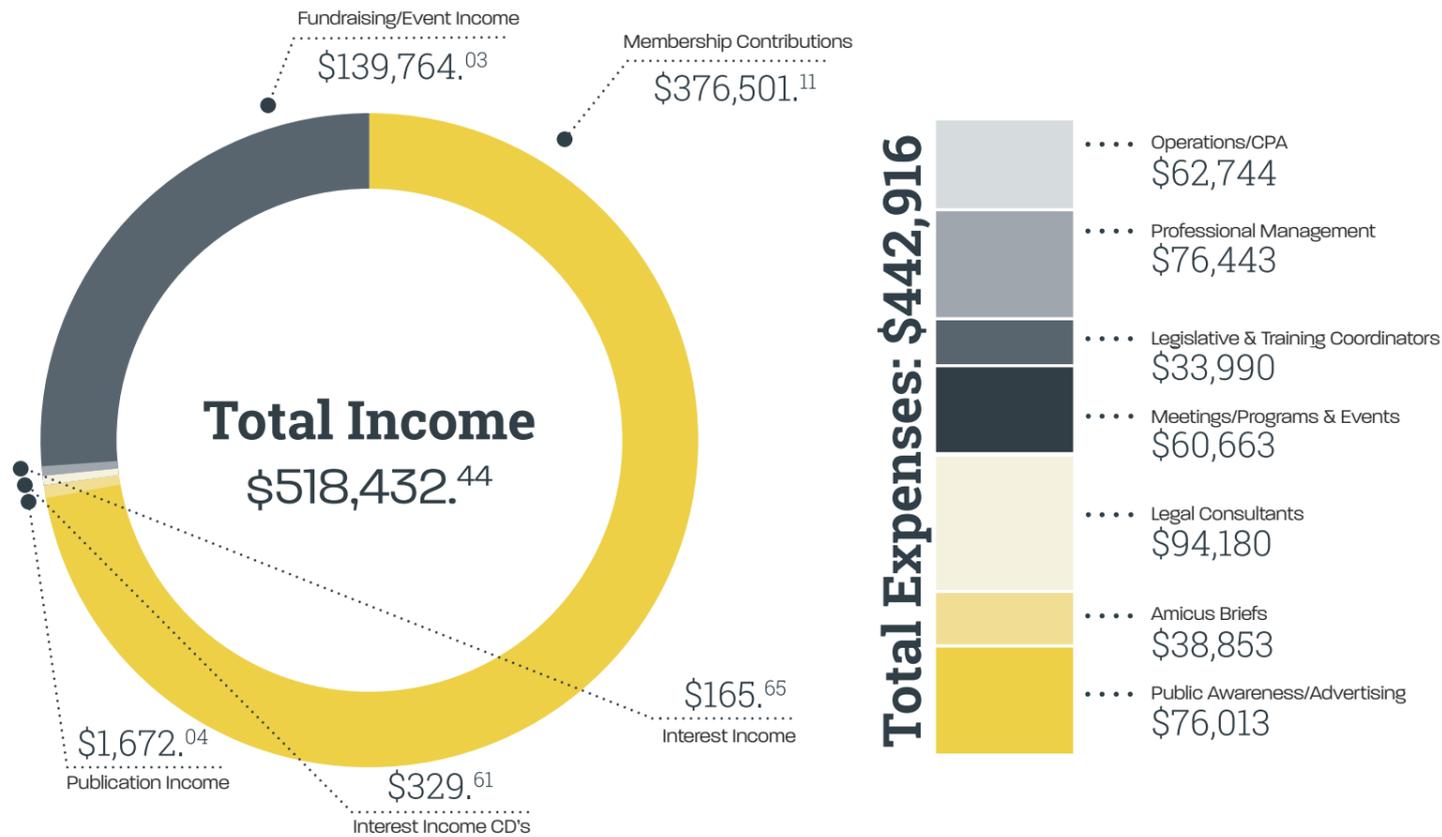
In addition to providing amicus support on Kemp and Covenant, CPAN continued its longstanding pursuit for transparency of the Michigan Catastrophic Claims Association. In 2015, the

Michigan Supreme Court remanded CPAN's case back to the Court of Appeals and instructed the Court to specifically address two key issues: First, whether the MCCA is a "public body" as defined by Michigan law; and second, whether the legislature's exemption of the MCCA from the state Freedom of Information Act was constitutional.

In August, 2016, the Michigan Court of Appeals agreed with CPAN's assertion that the MCCA is indeed a public body as defined by Michigan law. However, the Court split 2-1 in determining whether the MCCA's exemption from FOIA laws was constitutional.

Having open access to the MCCA's financial records is vital to understanding Michigan's auto no-fault system. But CPAN has long asserted that its case is about far more than auto no-fault insurance. At its core, the outcome of the case has broad implications for the openness and transparency of Michigan's government. For this reason, the Michigan Association of Broadcasters and the Michigan Press Association submitted an amicus brief to the Michigan Supreme Court urging CPAN's case to be heard. These two organizations understand that if the Michigan Appeals Court decision is allowed to stand, it will now be much easier for the legislature to hide exemptions to FOIA in other statutes. That should be alarming to anyone who values government transparency.





Revenue Less Expenses: \$77,516.⁹⁹

FINANCIALS (Jan. 1 - Dec. 31, 2016)

Revenue

Membership/Contributions	\$376,501. ¹¹
Interest Income	\$165. ⁶⁵
Interest Income CD's	\$329. ⁶¹
Public Income	\$1,672. ⁰⁴
Fundraising/Event Income	\$139,764. ⁰³
Total Income	\$518,432.⁴⁴

Expenses

Public Awareness/Advertising	\$76,012. ⁵⁵
Amicus Briefs	\$36,853
Legal Consultants	\$94,179. ⁷⁴
Meetings/Programs & Events	\$60,663. ³³
Legislative & Training Coordinators	\$33,990
Operations/CPA	\$62,774. ³²
Professional Management	\$76,442. ³²
Total Income	\$440,915.⁴⁵

2016 MEMBERSHIP

CPAN Membership continues to hold strong. During 2016, 55 new members were added. Most of these new members were health care providers or individuals that work in the healthcare industry who experience first-hand how important protecting and preserving Michigan's no-fault system of care is to those injured in auto accidents. Several mentioned they became aware of our organization through social media or media stories covering no-fault throughout the year.

CPAN's social media presence continues to grow. These platforms allow CPAN to share information about no-fault, CPAN activities, member organizations, court decision and legislative proposals on an instantaneous basis. This is why we continue to encourage CPAN members to share the CPAN Facebook page and engage your friends and co-workers in this important issue. During the previous two years, CPAN conducted numerous advocacy training sessions around that state resulting in a spike in new members at the Survivor's Voice level. Other priorities in 2016 diverted resources from these trainings and, as a result, this segment of membership declined. We are developing programs on social media that will be less costly to disseminate and improve access to survivors, their family members and caregivers in 2017. We are excited to share these resources in the months ahead.

Furthering our commitment to our members, we sought out to provide our members with more tools to help engage on CPAN initiatives, and in 2015 that vision came to reality with our first-ever CPAN provider directory. Prior to the publishing of the Auto No-Fault Provider Directory, a comprehensive resource of providers did not exist. The directory exceeded CPAN's expectations, raising \$11,204. In 2016, the hard work put into the Provider Directory was recognized with a Diamond award from the Michigan Society of Association Executives (MSAE) during the 15th annual awards ceremony.

With the help of our summer intern, Hannah, the CPAN Member database underwent an extensive review. More than 100 emails were flagged as undeliverable and Hannah sent emails and made phone calls to members to correct this information. Delinquent members were sent notices to renew their membership and inactive members were purged. For this reason, for the first time in the last six years, membership numbers stayed about even for the year.

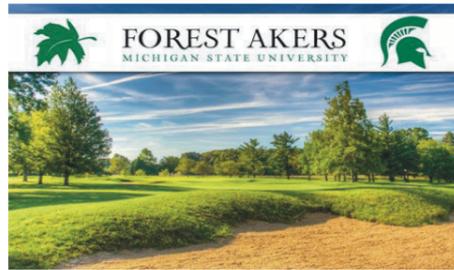


Breakdown

Complimentary Individual	569
Individual	273
Pewter Level	54
Bronze Level	15
Silver Level	11
Platinum Level	5
Survivor's Voice	20



UPCOMING CPAN EVENTS



CPAN 5th ANNUAL GOLF OUTING

Friday, June 23
East Lansing, MI
Forrest Acres Golf Club
Tee Time 10 a.m.



Survive & Thrive

Wednesday, August 9
Studio West, Brighton, MI
4:30 p.m. - 7:30 p.m.



CPAN 5th Auto No-Fault Gala

Saturday, October 28
Michigan Science Center
Detroit, MI
6:30 p.m. - 10 p.m.

CPAN LEADERSHIP

ADMINISTRATIVE DIRECTOR

Martha E. Levandowski

OFFICERS

President

John Cornack, Michigan Brain Injury Provider Council/
Eisenhower Center

1st Vice-President

Colin J. Ford, Michigan State Medical Society

2nd Vice-President

Steve Pontoni, Michigan Association for Justice

Treasurer

Carl Alden, Michigan Association of Chiropractors

Secretary

Margaret Kroese, Michigan Brain Injury Provider Council

EXECUTIVE COMMITTEE

Brain Injury Association of Michigan (Michael Dabbs)

Michigan Association for Justice (Steve Pontoni)

Michigan Association of Chiropractors (Carl Alden)

Michigan Brain Injury Provider Council (John Cornack)

Michigan Brain Injury Provider Council (Margaret Kroese)

Michigan Orthopaedic Society (Bill Kandler)

Michigan State Medical Society (Colin J. Ford)

George T. Sinas, Sinas, Dramis, Brake, Boughton, & McIntyre, P.C.
General Counsel (ex-officio)

Kevin A. McKinney, McKinney and Associates
Legislative Consultant (ex-officio)

BOARD OF DIRECTORS

Brain Injury Association of Michigan (Michael Dabbs)

Case Management Plus (Linda Michaels Gruber)

Eisenhower Center (John Cornack)

Feinberg Consulting, Inc. (Pam Feinberg-Rivkin)

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Michigan Academy of Physician Assistants (Mike DeGrow)

Michigan Association for Justice (Steve Pontoni)

Michigan Association of Chiropractors (Carl Alden)

Michigan Brain Injury Provider Council (Margaret Kroese)

Michigan Citizen Action (Linda Teeter)

Michigan Dental Association (Bill Sullivan)

Michigan Nurses Association (Dawn Kettinger)

Michigan Orthopaedic Society (Bill Kandler)

Michigan Orthotics and Prosthetic Association (Nathan Kapa)

Michigan Osteopathic Association (Kris Nicholoff)

Michigan Protection and Advocacy (Michelle Mull)

Michigan State Medical Society (Colin Ford)

Origami Brain Injury Rehabilitation (Tammy Hannah)

Siporin and Associates, Inc. (Steven Siporin)

Special Tree (Joseph Richert)

St. Johns Providence Health System (Patrick McGuire)

The Recovery Project (Charlie Parkhill)

George T. Sinas (ex-officio)

Kevin A. McKinney (ex-officio)

Stephan H. Sinas Associate Legal Counsel

Thomas G. Sinas Associate Legal Counsel



CPAN SALUTES ITS OUTGOING LEADERS

CPAN leadership experienced big changes in 2016 with the retirement of three of the organization's founding members: Jane Bailey, Executive Director of the Michigan Association for Justice; Mike Dabbs, President of the Brain Injury Association of Michigan, and Bill Kandler, representative for the Michigan Orthopaedic Society and partner at Kandler, Reed Khoury and Muchmore. Jane, Bill and Mike were instrumental in the formation of our coalition more than a decade ago, and have served on its board and Executive Committee from its inception. CPAN has benefited greatly from their guidance and is thankful for their many years of dedicated service.

MIKE DABBS

Michael Dabbs served as president of the Brain Injury Association of Michigan (BIAMI) from 1993 until his recent retirement in 2016, and has entrenched himself in the world of brain injury advocacy.

Upon joining the Association, Dabbs immediately became involved with the auto no-fault insurance battle known as Proposal C on the 1994 ballot. In 2003, he became a charter member of the founding board of directors of CPAN and served as its secretary until 2016. His unwavering support has helped protect auto accident survivors for more than a decade.

JANE BAILEY

Jane Bailey served as the 2nd Vice-President of the Coalition Protecting Auto No-Fault (CPAN), and was a member of the Board of Directors since the organization was formed in 2003.

Upon joining CPAN, Bailey was instrumental in guiding CPAN from an unknown organization to the influential leader that it has become today. Her relationships with lawmakers and the legal community helped CPAN build its coalition of members and stave off a wide range of attacks to Michigan's no-fault system.

BILL KANDLER

William C. Kandler is a partner in Kandler Reed Khoury & Muchmore (KRKM). He joined KRKM in 1995 by merging his government relations firm with his two partners' lobbying firms.

Bill has served his clients as a lobbyist for more than 20 years. He played a key role in protecting Michigan's No-Fault Law as a founding member of the CPAN Board of Directors and served on the Executive Committee as a representative of the Michigan Orthopaedic Society.



