

WHO IS ELIGIBLE

➔ Resident Relative



The old no-fault law gave unlimited PIP coverage to all involved in an auto accident in Michigan. The auto reform changes that and makes it only resident

relatives covered. This will bring some new scenarios into play where coverage will not be there anymore.

- Child not in college anymore living away from home with parents auto on parents policy.
- No auto policy and not at home on parents and get into accident driving friends auto.
- roommate that is not related lives in your home and drives your auto.
- Being a passenger with no policy in an auto and that drivers policy is no longer in place due to cancellation.
- Walking as a pedestrian and get hit by an auto without a policy.

If you have no coverage you would need to qualify for coverage under the State of Michigan MACP Fund. The coverage provided would be a lower limit of \$250,000 for Michigan residents.

➔ Don't Own an Auto and want PIP



A Named, non-owned auto policy is option for someone to have the medical/liability coverage unlimited PIP provides but you wouldn't be paying for the auto

itself. This would give you coverage as a passenger, borrow an auto from friend or walking down the street and get hit.

➔ MCCA Fee Savings



The Michigan Catastrophic Claims Association (MCCA) is lowering the assessment charged per vehicle to \$100 for the period beginning July 2, 2020

through June 30, 2021. This is a 55% reduction from this year's \$220 assessment. Insurance companies will charge this assessment only to people who choose to maintain unlimited lifetime personal injury protection ("PIP") benefits. Those who choose lower limits under Michigan's revised no-fault insurance law avoid the assessment altogether, as long as the MCCA is not in a deficit position.

MICHIGAN NO-FAULT AUTO REFORM JULY 2, 2020



Be Informed!!!

Recommendations

1. Keep unlimited Personal Injury Protection (PIP)- You still save at least 10% on premium. You will have other options but the key is making an educated decision. Think about your own situation and what you would lose if you choose a lower limit. Your health insurance either covers or doesn't cover auto related accidents. If it does provide coverage there will still be a large amount of coverage not provided the same as PIP coverage. Insurance is there for all types of claims but when a catastrophic claim comes unlimited is the best value.

2. Who is eligible for coverage under your policy? No-fault reform has made changes to the order of priority. Drivers, passengers or pedestrians who are not a spouse or resident relative (either they live outside the home permanently or live within the home and are not related) will no longer receive PIP coverage from the motor vehicle owner's policy.

3. Raise liability limits due to law suits- Protect yourself. The option to purchase a lower limit PIP means those injured will need to sue the at-fault (if there is one) to pay for any medical bills over top their PIP limit. Be prepared and proactive, by having higher PIP limits, Bodily Injury limits and an umbrella policy that will protect your assets. We don't want you to reach into your own pocket to pay a judgment against you.

Medical Coverage Options

Personal Injury Protection (PIP) levels available to you:

- Unlimited coverage per person per accident
- Up to \$500,000 in coverage per person per accident
- Up to \$250,000 in coverage per person per accident
- Up to \$250,000 in coverage per person per accident with exclusions (under certain conditions)
- Up to \$50,000 in coverage per person per accident (under certain conditions)
- PIP opt-out (under certain conditions)

Increased Bodily Injury and Property Damage (BI/PD) Levels

The law limits the damages that can be claimed against you as the result of an automobile accident, except in certain situations. This portion of your automobile insurance policy will pay up to your coverage limit amounts if you are found legally responsible for damages in these situations.

The new default BI/PD coverage limits are:

- Up to \$250,000 for a person who is hurt or killed in an accident.
- Up to \$500,000 for each accident if several people are hurt or killed.
- Up to \$10,000 for property damage in another state.

You may have the option of purchasing other BI/PD coverage limits. However, the lowest limit you may purchase is:

- Up to \$50,000 for a person who is hurt or killed in an accident.
- Up to \$100,000 for each accident if several people are hurt or killed.
- Up to \$10,000 for property damage in another state.

Option Break Down

Unlimited is what you have now and one of the best in the whole country. If you choose options 2-4 once limits are exhausted your personal medical would pay or you would be paying out of pocket.

Option 4• \$250,000 with Individual PIP Allowable Expenses (Medical) Exclusion. If the named insured wants to be excluded from coverage they must have a Qualified Health Coverage that is not Medicare Parts A or B.

Option 5-\$50,000 The named insured must be enrolled in Medicaid and their spouse and all resident relatives must be enrolled in or have one of Medicaid, Qualified Health Coverage or Coverage payable for Allowable Expenses (Medical) from another Michigan auto policy. If the named insured's spouse or resident relative want to be excluded they only can if the individual requesting exclusion has a Qualified Health Coverage? They would need to show proof.

Options 6 opt-out of PIP then you must be enrolled in Medicare A and B and the named insured's spouse and all resident relatives must be enrolled in a Qualified Health Coverage or Coverage payable for Allowable Expenses (Medical) from another Michigan auto policy.

Qualified Health Coverage includes the following:

- Health and accident coverage that does not exclude or limit coverage for injuries related to auto accidents and has an annual individual deductible of \$6,000 or less
- Coverage under both federal Medicare Parts A and B