

Michigan Auto Insurance Reform – What YOU need to know

Significant changes and options in Michigan auto insurance coverage go into effect on July 2, 2020. This document will provide insight into the major alterations to the law that have a direct impact on the decisions you need to consider when choosing coverage levels.

Medical Coverage Options (Personal Injury Protection)

Michigan's current law *requires* all auto insurance policies to provide unlimited medical and rehabilitation benefits, also known as personal injury protection (PIP) benefits. Effective July 2, 2020, purchasers of auto insurance in Michigan will have multiple PIP benefit levels from which to choose. These policy benefit levels are:

PIP Medical Benefit Coverage Levels*

Unlimited PIP Benefit

\$500,000 PIP Benefit

\$250,000 PIP Benefit

\$50,000 PIP Benefit (enrolled in Medicaid)

Medicare Opt-out

Qualified Health Coverage Exclusion

*(Customer has other health or accident coverage that does not exclude or limit coverage for injuries related to an auto accident **and** has an annual deductible of \$6,000 or less per individual.)*

***Wage loss and household replacement services are in addition to the PIP Medical limit chosen.**

If opting out of medical and rehabilitation benefits on your auto policy, many health insurance policies DO NOT provide coverage for attendant care, custodial care, home and vehicle modifications, and other benefits provided by the auto policy medical benefit and may limit rehabilitation benefits. It is also important to remember that your health insurance will still require co-pays, deductibles and co-insurance that your auto policy may not require.

Always discuss your personal situation with your Independent Agent for more detailed information and to determine the coverage options best for you and your family.

Increased Required Limits for Liability Coverage

After July 2, 2020, default liability limit will be \$250,000 per person/\$500,000 per occurrence. You may elect lower limits by signing an acknowledgement form, but not lower than \$50,000 per person/\$100,000 per occurrence.

It is important to know that individuals injured in an automobile-related accident can seek financial compensation not covered by their own policy from the at-fault party. Due to this significant change in the ability for injured parties to sue for medical, rehabilitation, and other costs, higher limits and a personal liability umbrella policy should strongly be considered.

Michigan Catastrophic Claims Association (MCCA) Assessment

Effective July 2, 2020 the MCCA per vehicle assessment will drop to \$100 for those who choose to keep their unlimited PIP benefits. Those who select lower limits will not be charged the assessment.