Top 5 questions about Michigan no-fault insurance reform.



Michigan no-fault insurance: While the reformed auto insurance law will bring additional changes in July 2020, we're here to help you understand what these are and what your options are.

If you're not quite sure what's changing, you're not alone. Rest assured; your local, independent agent can provide expert guidance on auto coverage options to best meet your needs.

As a Michigan-based insurance company, here are some of the top questions we've seen about Michigan no-fault insurance reform:

1. Will I be able to change my Personal Injury Protection (PIP) benefits as soon as the law is in effect?

Yes, if you'd like to update your policy July 2, 2020, or before your next policy renewal after July 2, 2020, contact your agent to complete and sign a new PIP coverage selection form. A PIP coverage selection form and other policy update information will be included with your renewal packet if you choose to make revisions at renewal time, too.

2. How will I select my PIP and bodily injury limits?

Michigan auto policyholders will be sent a packet with selection forms prior to their next policy renewal. In the packet, policyholders will find a:

- Letter that explains the required coverage options and limits for PIP and bodily injury;
- PIP coverage selection form;
- Bodily injury coverage selection form;
- Statement with current bodily injury limit and pricing options.

To help our team quickly process your renewal and any policy changes, please complete and return the forms within two weeks. A postage-paid envelope will be included for you to return your signed forms to Frankenmuth Insurance. *(Please note: We cannot process PIP or bodily injury coverage changes without these signed forms.)*

As always, if you have questions or need assistance, your agent can help guide you through the process.

3. What does medical coverage on an auto insurance policy cover?

PIP coverage purchased through an auto insurance policy covers medical expenses you incur due to an auto accident. To learn more, you can review all six PIP coverage options.

Typically, in Michigan, PIP coverage pays first towards medical expenses related to injuries you sustain in an auto accident, unless:

- The auto accident happened at work and you are eligible for worker's compensation.
- You have coordinated health coverage. If you have a health insurance policy, it is possible to receive a discount for coordinating medical benefits of your auto insurance policy and health insurance policy. With coordinated health coverage, your health insurance usually pays first.
- You've opted out of PIP coverage because you have qualified health coverage (more below) or Medicare.

With the new PIP options of excluding or opting out of medical coverage from your auto insurance policy, it will be necessary to provide proof that your health insurance policy meets the definition of "qualified health coverage." Qualified health coverage does not exclude or limit care for auto accident injuries and has an individual deductible of less than $6,000. If you are a Medicare or Medicaid participant, you may need to provide proof of enrollment. Statements for proof of qualified health coverage or enrollment can be obtained from your healthcare provider.

If you have questions, your agent can review coverage options with you and tailor your auto insurance policy so that it best meets your needs.

4. My auto insurance premium increased after the new no-fault law was passed. Is my insurance company just trying to take more money from me before the new law takes effect?

There are many factors that go into calculating your total auto insurance premium. Coverage for bodily injury, property damage, uninsured motorist, underinsured motorist, PIP, physical damage, broadened collision, towing and more all factor into your auto insurance premium. Coverage rates are regulated (licensed, examined, investigated and supervised) by the Michigan Department of Insurance and Financial Services. Additionally, if you recently made a change to your auto policy, such as buying a new car, adding a driver to your policy, moving to a new home or if you were involved in an accident, these factors can impact your premium.

If you have questions about your premium, your agent can review all the factors that impact how your premium is calculated.

5. How do I know if I have gaps in my coverage?

The best place to start reviewing potential gaps in your insurance coverage is with your local, independent agent. Things to review include:

- What are all your insurance policy limits?
- What assets do you have?

Your agent will be able to help you understand your unique coverage needs and provide recommendations for you to consider.

Regarding Michigan no-fault insurance, there's a lot to know. If you'd like to learn more and review options that will be available to you, your local, independent agent can provide expert guidance.