Michigan No-Fault Reform

Changes Coming July 2, 2020

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Michigan No-Fault Reform

- The materials for this webinar have been prepared for information purposes only
- This is not insurance advice, nor intended to create a client relationship
- Buiten & Associates is the business insurance broker used by the County of Ottawa
- Before acting on any of the information provided, we recommend you contact your insurance agent
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What is Personal Injury Protection (PIP)

- Part of the coverage you receive under your Michigan No-Fault Insurance

- PIP includes the following benefits:
  1. Allowable Medical Expenses
  2. Wage Loss
  3. Replacement Services
  4. Survivor Benefits
Allowable Medical Expenses

- 1. Medical Costs
- 2. Attendant Care
- 3. Rehabilitation
- 4. Funeral Benefits
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What Changes about PIP

- Prior to No-Fault Reform, owners of a Motor Vehicle were required to purchase UNLIMITED PIP Benefits

- After No Fault Reform (7.2.2020), owners of Motor Vehicles can purchase various levels of PIP Benefits or even exclude or waive coverage entirely

- Changes will be staggered based on your current renewal date in most cases
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Coordination with Group Health Insurance Plans

- Fully Insured Health Insurance Plans provide Primary Automobile Medical Insurance Coverage (Currently in place for Ottawa County for 2020 – subject to change)

- Self-Insured Health Plans can provide Primary Automobile Medical Coverage, Secondary Automobile Medical Coverage or Automobile Medical Coverage can be Excluded

- You need to know how your Group Health Insurance Plan is written
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PIP Coverage Options (7.02.2020)

- Unlimited (Default)
- $500,000 Per Person
- $250,000 Per Person
- $50,000 Per Person
- No Coverage (Waived)
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**PIP Limit Option $250,000**

- The option to exclude individuals is available at this limit
- To exclude, the Named Insured must have Qualified Health Coverage (QHC) that is not Medicare and provide a letter from their Healthcare Provider verifying that coverage is qualified
- To qualify, QHC must have an annual deductible of $6,000 or less
- Each spouse or resident relative for which Medical Expenses are to be excluded must also provide proof of their QHC
- If QHC is lost
  - Applicant will have 30 days to notify Auto Insurance Carrier of change in status;
  - $2,000,000 PIP limit will be in force during this period
  - After 30 days, PIP medical coverage is lost
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PIP Limit Option $50,000

- Named Insured must be enrolled in Medicaid
- Everyone else in the household must have
  - QHC (proof provided), or
  - PIP ($250,000 Minimum) Coverage from another Michigan Auto Policy, or
  - Medicaid

- If QHC is lost
  - applicant will have 30 days to notify Auto Insurance Carrier of change in status;
  - $2,000,000 PIP limit will be in force during this period.
  - After 30 days, PIP medical coverage is lost
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PIP Limit Option - Waived

- Named Insured must be enrolled in Medicare Parts A&B

- Everyone else in the household must have
  - QHC (proof provided), or
  - PIP ($250,000 Minimum) Coverage from another Michigan Auto Policy

- If QHC is lost,
  - applicant will have 30 days to notify Auto Insurance Carrier of change in status;
  - $2,000,000 PIP limit will be in force during this period.
  - After 30 days, PIP medical coverage is lost
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What does this mean?

- Talk to your Auto Insurance Agent to ensure you are properly covered
- Consider your choices carefully, catastrophic medical losses can exceed $500,000
- PIP Coverage is not only for Medical Payments, it covers more than Group Health Plans
- PIP Benefits are provided based on the ‘date of loss’
- Group Health Plan Benefits are provided based on ‘being enrolled’
- PIP Benefits may ultimately be what you need in a catastrophic situation, if Qualified Health Coverage is lost.
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Questions.......