



NO-FAULT. NO WORRIES.

We've got you covered with this guide to understanding your options.



WHAT YOU NEED TO KNOW.

We are here to help you learn more about No-Fault Auto Reform and what it means for you and your family. Here are some high-level things to know:

WHAT IS NO-FAULT INSURANCE?

With No-Fault insurance drivers are responsible for covering their own auto accident damages, regardless of if they are at fault or not.

WHY DID IT CHANGE?

Michigan's No-Fault insurance has provided unlimited medical protection, which has resulted in high auto insurance premiums. Legislators wanted to reduce costs by providing medical limit options.

WILL I SAVE MONEY ON CAR INSURANCE?

Potentially, yes. The lower the medical limit the more the savings, but that choice WILL come with additional risk. There are other coverages which may impact your premium.

I HAVE HEALTH INSURANCE, WHY DOES IT MATTER?

Items such as attendant care, lost wages and vehicle or housing modifications covered by your auto insurance may not be covered by health insurance.

WHEN WILL NO-FAULT TAKE EFFECT?

No-Fault is effective July 2, 2020 although some aspects of the law are already active. While you don't have to do anything until your policy renews, we suggest you

review your policy and your options in advance of your renewal date.

WHAT IS PRIMARY VS. EXCESS COVERAGE?

Primary Medical coverage means that if you incur expenses due to an auto accident, your auto insurance will cover the related bills.

Excess Medical means that your health insurance will pay first to cover the related bills due to an auto accident and your auto insurance would pay secondary.

WHAT IS PERSONAL INJURY PROTECTION (PIP) AND WHAT ARE MY OPTIONS?

Personal Injury Protection (PIP) coverage pays for auto accident-related medical expenses after an individual is injured in a car accident. At your first renewal effective July 2, 2020 or after, you'll be able to choose your PIP coverage limit.

The different levels of PIP that will be available on or after July 2, 2020 are:

- UNLIMITED – the level you have now
- \$500,000 limit
- \$250,000 limit

Options available with Medicaid/Medicare or qualified health coverage:

- \$250,000 limit with PIP exclusions (excludes all PIP medical benefits)
- \$50,000 limit – Medicaid only
- Allowable Expense Opt-out – Medicare only

WHAT IS ATTENDANT CARE?

Attendant care provides coverage for “reasonable and necessary” services when an individual is injured in a car accident and is unable to perform tasks they would normally be doing for themselves. The new law limits family provided attendant care to 56 hours per week. At Farm Bureau Insurance, you’ll have the option to purchase \$25,000 in additional coverage.

WHAT IS BODILY INJURY LIABILITY, AND WILL THE COVERAGE CHANGE?

Bodily Injury (BI) Liability provides coverage for injuries a covered driver causes to other people.

This coverage will be increased to a minimum limit of \$250,000 per person, \$500,000 per occurrence which is mandated by the legislation effective July 2, 2020 or after as your policy renews. You will have the option to select other limits.

WHAT IS UNINSURED VS. UNDERINSURED?



Did you know 20% of Michigan drivers do not have auto insurance?

Uninsured motorist coverage protects you if you’re in an accident with an at-fault driver who doesn’t carry liability insurance.

Underinsured motorist coverage is used when an at-fault driver’s liability limits are too low to cover the damage or medical expenses of an accident.



TIMELINE OF NO-FAULT



1973

In 1973, Michigan instituted No-Fault auto insurance.



2018

By 2018, Michigan's auto insurance costs had become the 2nd highest monthly bill most consumers had.

2019

In June 2019, Michigan's No-Fault reform is signed.



2021

Fee schedules for medical providers required in 2021 and beyond.



2020

Auto insurance reform goes into effect July 2, 2020.

WHAT YOU NEED TO DO.

While the new coverage options go into effect on July 2, 2020, you won't need to take any action until it's time to renew your policy. In the meantime, here are some steps you can take to prepare:

Review your policy: The new law impacts BI and PIP coverage. Make sure you're familiar with all your coverages and your current limits. It will help when its time to renew and review your options.

Contact your healthcare provider: You will want to know if your health insurance provider covers injuries related to an auto accident. We suggest you contact them to obtain a letter stating what's covered.

Consider the risk: When you make changes to your policy limits, there's more to think about than how much it costs. Lower coverage limits expose you to medical bills or lawsuits.

Talk to your family: If you have a spouse or children, you're not the only one impacted by these changes. Once you've reviewed, discuss your plans with your family so everyone understands your coverage moving forward.

Reach out to your agent: Your agent and their licensed team of professionals are there to guide you to feel confident in your understanding of No-Fault Reform and decision when selecting your coverages.

For more information, visit here:
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