



Michigan - Auto Insurance Reform

You are probably aware that some important changes are being made to auto insurance in Michigan this year. You may be excited about the possibility of paying a significantly lower premium, but it's important to understand all the facts before you make any changes to your coverage.

How Does This Impact Me?

Currently, owners or registrants of a motor vehicle in Michigan are required to purchase a no-fault policy with unlimited PIP coverage. Under the new Michigan automobile insurance reform, effective for no-fault policies issued or renewed **on or after July 1, 2020**, individuals may choose various levels of PIP coverage:

- Maintain unlimited PIP
- \$500,000 PIP
- \$250,000 PIP
- \$50,000 PIP (only if enrolled in Medicaid)
- Opt-out of PIP (only if covered by Medicare or a qualifying medical plan with deductible of \$6000 or less, and pays primary to auto insurance)

What is PIP?

Personal injury protection coverage, commonly referred to as "PIP," is part of your auto insurance, and covers medical expenses and lost wages, regardless of who is at fault for the accident. Currently, PIP coverage in Michigan is required to pay for unlimited lifetime medical benefits, which is part of the reason why auto insurance is so expensive in this state.

It is important to note that PIP coverage provides for services which are **not** covered by your employer-sponsored medical plan, including things like:

- Modifications to your home or vehicle
- Attendant care, including by family members providing care in your home
- Unlimited physical therapy visits
- Lost wages

This information is based on current interpretation of the new statute scheduled to take effect on July 1, 2020. There may be subsequent updates to the law, so you should consult with your auto insurer for the most up-to-date information. This is a brief overview, and not a guarantee of benefits. This document is not intended to be taken as advice regarding any individual situation and should not be relied upon as such. The company shall have no obligation to update this publication and shall have no liability to you or any other party arising out of this publication or any matter contained herein. Any statements concerning actuarial, tax, accounting or legal matters are based solely on our experience as consultants and are not to be relied upon as actuarial, accounting, tax or legal advice, for which you should consult your own professional advisors. Any modeling analytics or projections are subject to inherent uncertainty and the analysis could be materially affected if any underlying assumptions, conditions, information or factors are inaccurate or incomplete or should change.

How Does My Medical Coverage Through Farmington Public Schools Affect My Auto Insurance?

Our group medical plan takes a **primary** stance regarding auto-related medical claims. This means Farmington Public Schools' health plan will pay for covered medical claims before PIP does (this is also called **coordinated coverage**). If you tell your auto insurance agent this and provide documentation from Blue Cross Blue Shield, you may be able to save some money on your auto premiums.

Some things to keep in mind:

- Our plan only covers eligible medical expenses;
- The plan may not cover all medically-recommended services;
- The plan will only cover medical claims while you are covered under the plan, if you leave Farmington Public Schools or become ineligible for benefits, you no longer have this coverage;
- If you elect less than unlimited PIP, you could be financially responsible for necessary care or services, since they may not be covered by your medical plan.

What Do I Need to Do Next?

Have a conversation with your auto insurer, they will be able to provide you with more information about your PIP options, and the premiums associated with each options. Your auto insurer will need proof that your medical plan will pay for medical claims before the auto policy. Farmington Public Schools will provide you with this documentation upon request. Please email Elizabeth Hopper at Elizabeth.Hopper@fpsk12.net to request a coverage letter. You can then provide this letter to your auto insurer.

Need More Information?

The state of Michigan has created a website that contains additional information and resources to help you understand these changes and how they affect you. Visit www.michigan.gov/autoinsurance/