

SECURE ONESM

Benefit Administrators, Inc.



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Preferred United Plans[®]
"Alternative Funding"

Changes to Michigan No Fault Auto Law that take effect July 1, 2020



After more than 40 years under the current no-fault automobile coverage in Michigan, no-fault will be changing effective July 1, 2020.

Under the current no-fault law in Michigan, medical benefits are under the Personal Injury Protection or "PIP". When an individual is injured in an automobile accident the auto carrier for Michigan insureds pays for the medical benefit. The coverage under "PIP" medical benefits is Unlimited!

The "PIP" coverage accounts for approximately 40%-45% of auto insurance premiums.

Changes Effective July 1, 2020

It is mandatory for drivers to carry "PIP" coverage in Michigan. Now drivers will be able to choose from 5 different levels of medical coverage under "PIP".

- Unlimited
- \$500,000 limit
- \$250,000 limit
- \$50,000 limit - this is the lowest limit available BUT only for drivers who are on Medicaid.

- Opt-Out of "PIP" coverage entirely, however, you, your spouse and all relatives who live with you must have Medicare, Parts A&B, or Qualified Health Insurance to be eligible.

Estimated Savings

- 10% savings for drivers with unlimited.
- 20% savings for drivers with a \$500,000 "PIP" limit.
- 35% savings for drivers with a \$250,000 "PIP" limit
- 45% savings for drivers that qualify for \$50,000 "PIP" limit.
- 100% savings for drivers who opt-out of "PIP" benefits.

Remember the percentage of savings is ONLY to the medical portion of "PIP" on your auto insurance bill, not your entire auto insurance bill.

Other Changes

- Default resident liability limit or \$250,000 per person/\$500,000 per occurrence.
- State minimum limit increased from \$50,000 to \$100,000 per occurrence.
- Mini-Tort increases from \$1,000 to \$3,000 limit
- Prohibited use of most non-driver rating factors such as home ownership, education level attained, occupation, zip code and credit score.
- **SUING FOR EXCESS MEDICAL BENEFITS** - under the new law a person injured in a car accident can sue the at fault party for excess medical costs (medical costs exceeding the dollar amount of the no fault "PIP" cap they selected).

Preferred United Plans "Alternative Funding" will be keeping the current auto exclusions, that are already in the plan, in place.

Please see your Schedule of Benefits and Plan Document for details regarding the exclusion.



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