



MICHIGAN NO-FAULT INSURANCE NEW LAW CHANGES AND IMPACT

WHAT DID THE NEW NO-FAULT INSURANCE LAW CHANGE?

Beginning in July, under the new Michigan No-Fault Insurance law, residents who can demonstrate that they have other Qualified Health Coverage (QHC) will no longer be required to purchase unlimited Personal Injury Protection (PIP) for their personal vehicles. QHC is other health coverage that does not exclude or limit coverage for injuries related to auto accidents and carries a deductible of \$6,000 or less per covered individual.

Effective July 2, 2020, individuals with QHC may adjust their PIP coverage through their auto insurance carrier to one of the six coverage levels listed below:

- Opt-out of PIP coverage entirely
- \$50,000 limit
- \$250,000 limit with exclusions
- \$250,000 limit without exclusions
- \$500,000 limit
- Unlimited

For a summary of the Michigan No-Fault Insurance law changes, please click [here](#).

For specific questions, contact the Department of Insurance and Financial Services at autoinsurance@michigan.gov or 833-275-3437.

HOW WILL THE NEW LAW AFFECT MY HEALTH PLAN?

How this change will affect your health plan largely depends on how your health benefits are funded.

FULLY-INSURED HEALTH PLAN

If your health plan is fully insured, your health insurance carrier will not exclude coverage and your health plan will be primary, and will coordinate with your auto insurance coverage for auto-related claims. Also, upon request, plan participants can contact the carrier using the number on the back of their insurance card to obtain Qualified Health Coverage Notices to provide to your auto insurance carrier as proof of coverage.

SELF-FUNDED HEALTH PLAN

If your health plan is self-funded, your district's administration determines whether your health plan will cover claims stemming from auto accidents and if it pays as primary for these claims. Contact your SET SEG Account Manager with questions about how your self-funded plan will handle auto-related claims and Qualified Health Coverage notices.

HOW WILL THE NEW LAW AFFECT MY PROPERTY/ CASUALTY COVERAGE?

- Personal Injury Protection (PIP) benefits through the SET SEG Property Casualty Pool will remain unlimited and lower limits will not be offered through the Pool.
- Coverage forms and claim handling practices will be updated to align with the requirements under the new law.

HOW WILL THE NEW LAW AFFECT MY WORKERS' COMPENSATION COVERAGE?

- Workers' Compensation will remain primary for Personal Injury Protection (PIP) benefits for any injured workers involved in a work-related auto accident.
- Coverage forms and claim handling practices will be updated to align with the requirements under the new law.