



# NAVIGATING CHANGE IN MICHIGAN'S NEW AUTO NO-FAULT SYSTEM

What you and your patients need to know about the new auto insurance legislation and how it could affect your practice.

You may have heard that massive changes to Michigan's auto no-fault system begin on July 2nd. If shopping around for a new policy, or renewing with your current insurer, there are a number of critical decisions you must make regarding your potentially life-saving coverage, including:

### Personal Injury Protection (PIP) Coverage:

You now have a choice regarding the amount of coverage you carry, from Lifetime benefits down to \$50,000 (if everyone covered under the policy is on Medicaid). The only way to fully ensure that you and your family are protected in the case of an auto accident is to purchase Lifetime coverage.

Our recommendation: Lifetime.

**Lifetime** – Remains available to anybody.

**\$500,000** – Available to anybody.

**\$250,000** – Available to anybody.

**\$50,000** – 1) A person who is covered by Medicaid, 2) The person's spouse, and all resident relatives are on Medicaid, have other health insurance, or PIP coverage through another policy.

### Liability Coverage:

Under the new law, if you are found to be at fault in an auto accident, and the other driver does not have adequate PIP coverage to cover his or her injuries, you can be sued. This poses a significant financial risk to you and your family. The best way to protect your assets is by purchasing additional liability coverage, either on your auto policy or an umbrella policy.

Our recommendation: Be sure that the level of liability coverage reflects the value of your assets.

### Uninsured/Under Insured Driver:

This coverage protects you if you are in an accident and the other, at-fault driver has inadequate liability coverage. Unfortunately, many drivers will carry as little liability coverage as possible, and some will continue to drive uninsured.

Our recommendation: Purchase enough coverage to ensure your family's lifestyle needs.

### Managed Care Options:

Insurance companies can now offer managed care options as part of your PIP coverage. Choosing this option will lock you into the insurer's network, and you will have no choice of your treating physician.

Our recommendation: Do not choose a managed care option.



### Achieving True Savings Without Risk to YOU and YOUR FAMILY:

Some of your highest insurance costs are related to insuring your car, rather than the drivers and passengers in it. As your car depreciates in value, carrying the same coverage as when it was brand new may not make sense. Exploring your options can help you save money without risk to you and your family.

Our recommendation: Discuss options with your agent on how to save in this area.

### Shop Around:

Don't just renew automatically, especially if it has been years since you have compared rates. Chances are you can save money by comparing insurers' rates. Also, make sure their quotes include the coverage YOU want, not cheap, cookie-cutter options that won't fully protect you.

Our Recommendation: Shop around for the best price on the coverage YOU want. Be sure you and your family are protected!

### Increased Bodily Injury and Property Damage (BI/PD) Levels:

The law limits the damages that can be claimed against you as the result of an automobile accident, except in certain situations. This portion of your automobile insurance policy will pay up to your coverage limit amounts if you are found legally responsible for damages in these situations.

#### **The new default BI/PD coverage limits are:**

Up to \$250,000 for a person who is hurt or killed in an accident.

Up to \$500,000 for each accident if several people are hurt or killed.

Up to \$10,000 for property damage in another state.

Change Ahead

## Protect Yourself and Your Family!

- ✓ Review Your Policy
- ✓ Consider Your Assets
- ✓ Review Your Health Coverage
- ✓ Watch the MAC Auto No-Fault Webinar at [www.chiromi.com/webinars](http://www.chiromi.com/webinars)



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