



PIP REFORM: Key Considerations & Decisions

➔ DECISION: WHICH PIP OPTION TO CHOOSE

Depending on individual circumstances, consumers will be able to choose from:

- Unlimited (as it is currently)
- \$500,000
- \$250,000
- \$50,000 (must be Medicaid eligible)
- Opt Out (must have Medicare A&B or a qualified health plan)

If no PIP election is made from the new options; Unlimited PIP is default and \$250,000/\$500,000

➔ DECISION: AMOUNT OF THIRD-PARTY LIABILITY

Consumers may want to re-evaluate the limit of third-party liability they purchase. This portion of the auto policy provides protection against third party lawsuits due to negligence. While the law does not change Michigan's status as a no-fault state, some advisors believe lower PIP limits may cause more drivers to pursue lawsuits, and non-residents are able to sue at-fault drivers. The law does increase mini-tort from \$1K to \$3K.

➔ DECISION: WHEN TO CHANGE LIMITS

While the law becomes effective, consumers have options if they wish to make changes to their limits. First, a policyholder can make their PIP election any time prior to July 2020. Otherwise, they can wait to make the election at their next policy renewal. The earliest changes will be reflected on a policy will be July 2020.

Please note, the material in this flyer is for informational purposes only, is general in nature, and is not intended to and should not be relied upon or construed as a legal opinion or legal advice regarding any specific issue or factual circumstance.