



Frequently Asked Questions

Michigan No-Fault Auto Reform

How do I know if I have gaps in my coverage?

Reach out to a member of the Kapnick team to review current coverages, options and any potential gaps. Kapnick recommends the following options regarding your personal auto insurance:

- Unlimited PIP (personal injury protection) Coverage
- Bodily Injury Limits of \$500,000 per accident/ \$500,000 per occurrence
- Uninsured Motorists Limits of \$500,000 per accident/ \$500,000 per occurrence
- Underinsured Motorists Limits of \$500,000 per accident/ \$500,000 per occurrence
- Property Damage Coverage of \$500,000
- Personal Umbrella Minimum Limit of \$1,000,000

What do I need to know if I drive a company vehicle?

In the event you have a company vehicle, your coverage will initially come from the commercial auto insurance held by the company that owns the vehicle. If that policy is non-existent, limits are exhausted, or the claim is denied, you would then default to your personal auto policy or that of a resident relative. If no other policy is available your claim would then fall to the Michigan Assigned Claims Plan (MACP). If you have specific questions or concerns, please reach out to a member of the Kapnick team.

What do I need to know if I am a motorcyclist?

Those who operate motorcycles will see the least amount of change from the current no-fault law. Under the new law, a motorcyclist involved in an accident with a motor vehicle would continue to seek PIP from the insurer of the motor vehicle but would be subject to any PIP choice limits on the policy. If no PIP coverage is available in the order of priority, a motorcyclist is eligible for up to \$250,000 in PIP benefits from the Michigan Assigned Claims Plan.

How are out-of-state residents affected by these changes?

Non-resident drivers are no longer entitled to PIP Benefits relating to an auto accident within Michigan. Coverage only applies if you own the vehicle and have it registered and insured in Michigan.

Will I be able to change my Personal Injury Protection (PIP) benefits as soon as the law is in effect?

We strongly encourage policyholders to revise their policy at its next renewal after July 1, 2020. Depending on your insurance carrier alternative options may be available. We recommend you reach out to a member of our Kapnick team to discuss.

How will I select my PIP and bodily injury limits?

While all insurance companies have the ability to handle this slightly differently, the one common component will be a PIP Benefit Selection form. All policyholders will receive this form to complete and return prior to their renewal. This form is created and required by Michigan Department of Insurance and Financial Services (DFIS). The state will also require a form for Bodily Injury Limits lower than \$250,000/\$500,000. Kapnick Insurance will require a signed waiver for limits lower than \$500,000/\$500,000.

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Why haven't I realized immediate savings on my auto insurance premium now that the No-Fault reform has been passed?

The No-Fault Reform law is expected to go into effect following July 2, 2020, with some changes not taking place until 2021. Although the law was passed back in May 2019, most Michigan Drivers won't see any cost reductions on their auto policy for months to come. We encourage you to reach out to a member of our team to discuss the new coverage options and what is recommended.

My auto insurance premiums actually went up before the new No-Fault law was passed. Is my insurance company just trying to take more money from me before the new law takes effect?

There are a number of factors for why your policy premium may have increased. Such as adding a new driver, purchasing a new vehicle, reviving a traffic infraction, or having been in an auto accident. Your current auto insurance premium was approved back in Spring of 2019 by the Michigan Department of Insurance and Financial Services (DFIS), prior to Governor Whitmer signing in the law the No-Fault Reform. We recommend you reach out to a member of the Kapnick team to discuss any questions or concerns regarding your policy and its billing.

My auto insurance premium has increased. What can I do about it?

As trusted advisors, the Kapnick team is ready to discuss options regarding your policy. From reviewing coverages, seeking deductible options, or answering any questions you may have, our team is ready to help!

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