

MICHIGAN'S NO-FAULT

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Perhaps one of the biggest legislative changes for 2019 was the overhaul of Michigan's No-Fault automobile insurance statutory framework. While these changes are necessarily "business oriented," they are significant enough to warrant a brief mention.

The 2019 no-fault changes target several areas of the current no-fault insurance structure in Michigan. Set to go into effect in 2020, the main changes will come to personal injury protection coverage (PIP). Under prior no-fault laws, all drivers were required to purchase unlimited PIP coverage, meaning that their automobile insurance providers would cover all medical costs arising out of an automobile accident injury. Under the new rules, drivers will have the option of selecting what type of PIP coverage to maintain. They can choose unlimited coverage, coverage up to \$500,000, coverage up to \$250,000, coverage up to \$50,000, or no PIP coverage as long as they have health insurance that covers collision injuries.

In addition to providing different options for PIP coverage, the new no-fault rules will prohibit insurance companies from setting automobile rates for "non-driving" related factors, such as gender, educational level, or credit score.

Ultimately, the legislative goal with the new no-fault automobile insurance reform is to lower rates for PIP coverage. Time will tell if this goal is achieved.

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