



June 18, 2020

Dear Client:

*You Can also see the following information on www.eagleinsure.us *

“ Please refer to your carrier correspondence and or website which is listed below and <https://www.michigan.gov/autoinsurance> for regulations, definitions, and coverage changes. “

I wanted to contact you and inform you concerning the upcoming Michigan Insurance Reform effective July 2, 2020 for Automobile Insurance. If you have a current policy these reforms become effective at your policy renewal with your carrier. The reforms affect Bodily Injury Liability Limits, Personal Injury Protection (PIP), Factors that affect how Auto Insurance Policies are rated in Michigan.

Everyone will be required to have their current Auto Insurance policy comply with the new Insurance reforms at the renewal of their policy as it comes due after July 2, 2020. This means when your policy renews you will make coverage elections to your policy that will update it to Michigan's new policy format. You will receive communication for these choices and updates from your carrier prior to your renewal and you will have to sign for any changes you elect except the default coverage election. For example if you renew August 1, 2020 you will be asked to choose to keep your current PIP election which is (unlimited), and the State standard Liability Limit which is now 250/500 which is the default coverages or make coverage elections for different benefit limits to suit your needs.

***IT IS IMPORTANT TO KNOW THAT NO CHANGES HAVE TO BE MADE TO YOUR POLICY UNTIL THE POLICY RENEWAL THAT COMES AFTER JULY 2, 2020. ***

Once you switch your policy over it cannot be changed back to its original form. So, you can keep it as it is until it renews after July 2, 2020.

Bodily Injury Liability Limits have some changes. Michigan considers 250,000/500,000 the new standard Liability limit. The new minimum Limit is no longer 20,000/40,000 but rather increases to 50,000/100,000. If you choose a limit lower than 250,000/500,000 you are required to sign a mandatory form.

Some of the rating factors used in determining policy premiums have been changed, for example zip code rating is one of those changes. These changes affect policy premiums also and some may be a benefit as others may not.

The changes to Michigan Personal Injury Protection will have the most impact. Currently you have Unlimited coverage benefits under MI PIP, which you may continue to keep and enjoy. However lower benefit limits are available at 500,000 or 250,000 per accident and Medicaid recipients can elect



50,000 per accident benefit. You can even opt out of PIP entirely if you have qualified health coverage (QHC). If your employer-sponsored health plan or Individual health plan covers auto injuries and has an individual deductible of \$6,000 or less, you may have QHC. You can review your auto-related health plan coverage by talking to your HR representative or checking your Certificate of Coverage (HMO/POS plans) or Policy (PPO plans) with your provider. If you choose to opt out of PIP on your auto insurance policy, you are covered solely by your Health plan. That means your out-of-pocket costs will vary based on your plan benefits and you will receive no additional coverage toward accident-related injury costs from your auto insurance.

Medicare covered individuals can opt out of PIP if you are enrolled in Medicare Parts A and B (which Health Medicare Advantage plans include) and your spouse or any relative who resides in your household also has qualified health coverage or auto insurance that includes PIP. Under the new law, you can also choose to purchase lower than unlimited PIP coverage in the amount of \$500,000 or \$250,000.

If you have a Medigap Policy this health plan is not considered qualified health coverage. You can opt-out of PIP medical benefits if you are enrolled in Medicare Parts A and B, and your spouse or any relative who resides in your household also has qualified health coverage or auto insurance that includes PIP medical benefits. Contact Medicare at 800.633.4227 (tel:8006334227) to request proof of coverage to share with your auto insurer or the agency.

For Medicaid covered Individuals Your health plan is not considered qualified health coverage and you cannot opt out of PIP as part of your auto insurance policy. If you have questions, contact the Michigan Department of Insurance and Financial Services (DIFS). The contact line for Auto No-Fault inquiries is 833.ASK.DIFS or 833.275.3437 (tel:8332753437).

Changing your auto insurance policy could potentially save you money. However, it could also be a costly change in the event of an auto accident. We recommend you weigh your options carefully before making the switch from Unlimited PIP to a lower benefit. It is imperative and critical that you are fully informed and aware of how your Health Care plan covers or excludes Auto accidents and related injuries. Remember: Following a car accident, there are many services and costs that health plans, including Medicare, do not cover. These include, but are not limited to, modifications to homes such as wheelchair ramps and in-home care attendants. These services are typically covered by PIP. You will have deductibles, co-payments, and exclusions that apply in these situations that PIP normally takes care of.

We understand the new law can be a lot to take in. If you'd like to learn more before you make a decision to change your auto insurance policy, you may call the Michigan Department of Insurance and Financial Services (DIFS) dedicated hotline at 833.ASK.DIFS, email autoinsurance@michigan.gov or go to either of the following website for more information: michigan.gov/autoinsurance



Want more information?

If you'd like to learn more about the new auto policy law, visit [michigan.gov](https://www.michigan.gov) (<https://www.michigan.gov/autoinsurance>) or call Michigan's dedicated hotline at 833.ASK.DIFS or 833.275.3437 (tel:8332753437) (TTY 711 (tel:711)). You may also email the state directly at autoinsurance@michigan.gov (<mailto:autoinsurance@michigan.gov>).

I also urge you to look at your current carriers' website for information as well. Also, we are here to help you process these changes and help you with this process.



Allstate

* [Payments](#)

~ [Claim Information](#)

> Phone #: 800-255-7828



Safeco

* [Payments](#)

~ [Claim Information](#)

> Phone #: 800-332-3226



PROGRESSIVE

Progressive

* [Payments](#)

~ [Claim Information](#)

> Phone #: 800-274-4499



Bristol West

* [Payments](#)

~ [Claim Information](#)

> Phone #: 888-888-0080

We look forward to our continued relationship to service your Auto Insurance needs and make this transition as pleasant and easy as possible. I look forward helping you with your policy renewals and assisting you with the New Insurance Programs. Now more than ever the Value of having a trusted Insurance Agent representative is crucial to your and your family's needs. We are an Independent Insurance Agency that represents more than one Insurance Company. In this way we offer you better protection and more choices for you and your family to get the coverage that best fits your insurance needs and budget.

And don't forget to check in with us through our website www.eagleinsure.us

