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The Ultimate Consumer's Guide to
Michigan's New Auto No-Fault Law

What Everyone Should Know

844-LOBB-LAW
www.TheLobbLawFirm.com

What's Changed in 2020

- New choices for PIP medical coverage
- New choices for bodily injury coverage
- Family-provided attendant care limited to 56 hours per week
- IME doctors must be licensed in Michigan
 - The examining IME physician must specialize in the same specialty as the physician providing the care and be board certified in said specialty.
 - In the year prior to the IME, physician must devote the majority of their time to medicine and said specialty.
- Website for fraud reporting
- Benefits are tolled from the day of the specific claim INSTEAD of the date the of accident.
- Insurance commissioner involvement when insurance companies refuse to pay bills.

The 2019 Statistics:

Total People Involved in Crashes	535, 721
Injuries	74,963
Motorcycles Involved	3,083
Pedestrians Involved	2,403
Bicyclists Involved	1,501
Total Crashes	314,376

* <https://www.michigantrafficcrashfacts.org/pub/2019/at-a-glance>

BREAKING DOWN THE BENEFITS

THE FOLLOWING ARE ALL ELEMENTS OF PIP MEDICAL COVERAGE:

Medical Coverage

Following an accident, your auto no-fault insurance pays all reasonable charges incurred for reasonably necessary products, services and accommodations for care, recovery and rehabilitation. Car insurance companies are required to pay these benefits up to the value of coverage cap selected by the insured.

This includes:

- Accident-related medical expenses
- In-home patient care
- Attendant care
- Transportation
- Mileage reimbursement
- Home accommodations
- Case management services
- Physical Therapy
- Vocational rehabilitation

Work Loss

If you're injured in an auto accident, work loss benefits are available for three years. These benefits are payable at 85% of gross pay. Generally, overtime is calculated into this benefit. Even if you're temporarily unemployed at the time of the accident, you may still receive work loss benefits.

Replacement Services

Vehicle occupants, pedestrians, and bicyclists not otherwise insured with PIP coverage are subject to the \$250,000 limit offered through the Michigan Assigned Claims Program.

Assigned Claims

These refer to reasonably necessary services that you would have performed yourself prior to being injured. This can cover household upkeep and chores, meal preparation and even yard work.

Survivor's Loss Benefits

In the event of a death caused by a motor vehicle accident, the new law requires auto insurance companies to pay benefits your surviving dependents. The law sets maximum monthly benefits amounts. Potential benefits include the economic value previously provided by the insured deceased, replacement services and funeral/burial expenses.

CHOOSING PERSONAL INJURY PROTECTION (PIP) MEDICAL COVERAGE

Now, there are six levels of PIP Medical Coverage available to Michigan drivers. These levels or limits are the maximum amount a driver's auto insurance company will pay per person per accident. The new law requires auto insurance to provide the risks and benefits of each coverage option. Your options are:

- 1. Unlimited coverage**
- 2. Up to \$500,000 in coverage**
- 3. Up to \$250,000 in coverage**
- 4. Up to \$250,000 in coverage with PIP Medical exclusion(s)**

Exclusion is available for a non-Medicare qualified health coverage that covers auto accident injuries and/or for household members if they have health insurance that will cover auto accident injuries.

- 5. Up to \$50,000 in coverage**

Available if the named insured is enrolled in Medicaid and their household members have another auto insurance policy or health coverage that will cover their auto accident injuries.

- 6. PIP Medical Opt-Out**

Available if the named insured has Medicare Part A and Part B. Any of their household members must have another auto insurance policy or health insurance that will cover auto accident injuries.



IMPORTANT TIMING CONSIDERATIONS

1 Year from Accident

The car insurance company must receive notice of the accident and injury within *one year from the date of the accident*.

If an insurance company fails or refused to pay the expenses you've submitted, you have *one year from the date of denial to file your lawsuit*.

3 Years from Accident

Third party claims must be filed within *three years of the date of your accident*.

Failure to submit expenses in a timely fashion may result in you being held financially responsible for all accident-related expenses. That's one reason we recommend you call us as soon as possible after your accident.

THE MICHIGAN ASSIGNED CLAIMS PROGRAM

In 1973, the State of Michigan established the Michigan Assigned Claims program to provide assistance to people injured in a motor vehicle accident when there is no automobile insurance available.

Today, the program is administered by the Michigan Automobile Insurance Placement Facility (MAIPF).

Contact Information for the MACP:

<https://www.michacp.org/>

Phone: 734-464-8111

Fax: 734-744-8552

P.O. Box 532318
Livonia, MI 481



OTHER IMPORTANT CHOICES FOR 2020



CHOOSING COORDINATED VERSUS UNCOORDINATED BENEFITS

The new law specifies two types of coverage are available to Michigan drivers: coordinated and uncoordinated.

Coordinated Benefits are the less expensive option because the car insurance company would only pay those bills not covered by health insurance. Uncoordinated Benefits pays for medical coverage even if health insurance exists.

While coordinated benefits is the most popular choice, uncoordinated benefits actually offers better coverage and flexibility in treatment options – usually for a slightly higher premium.

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OTHER IMPORTANT CHOICES FOR 2020 (cntd)



Choosing Bodily Injury Liability Coverage

Bodily injury coverage is part of your auto liability coverage. This pays for damage you do to other motor vehicles and property in accidents you cause. Like PIP coverage, the cost of bodily injury insurance depends on how much liability coverage you buy.

The new default bodily injury coverage limits are:

Up to \$250,000 per person who is hurt or killed in an accident
Up to \$500,000 for each accident if several people are hurt or killed

However, the lowest limits allowable to purchase are:

Up to \$50,000 for a person who is hurt or killed in an accident
Up to \$100,000 for each accident if several people are hurt or killed

“Everyone at The Lobb Law Firm seeks to ease the difficulties in your post-accident medical and financial recovery, while also providing exceptional service and advocacy. We want to see you as close to whole again as possible – my father Joseph Lobb created this foundation 44+ years ago with the same level of dedication, compassion and authenticity that continues today. Our team will work hard to help you every step of the way along your personal injury experience.”

- Cherie Lobb

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MOTORCYCLE COVERAGE IN MICHIGAN



Motorcycle Rider(s)

In Michigan, motorcycles are not technically considered to be “motor vehicles.”

Consequently, the usual Michigan motorcycle policy only includes liability coverage for bodily injury and property damage.

Caveat 1

Actual physical contact between a motorcycle and a motor vehicle is not required for coverage - as long as the operation of the motor vehicle was a significant factor in the accident.

Caveat 2

If a motorcycle injury is caused by collision with a stationary object or another motorcycle, no-fault benefits are not available.

Nevertheless, motorcycle riders will have six PIP medical coverage options to choose from when their policy renews in 2020.

1. Unlimited Coverage
2. Limited Coverage of \$500,000
3. Limited Coverage of \$250,000
4. Limited Coverage of \$250,000 with Exclusions
5. Limited Coverage of \$50,000
6. No PIP Medical Coverage

Rules, Priorities & Coverage Limits

Household Coverage

Any PIP benefit option or opt-out selected by a person will apply to the person, the person's spouse, any resident relative, or any other person with the right to claim PIP benefits under the policy. However, the selected PIP coverage limit is *not a household limit. Instead, it applies to each individual claiming benefits under the PIP policy per accident.*

If there are two or more PIP policies in a household and a resident relative is injured and does not have their own PIP policy, then this resident relative would be entitled to claim PIP benefits up to the highest level of coverage.

Employer Vehicle

If a driver is injured while operating a company vehicle and is getting PIP coverage through the employer's policy, the employee is subject to the benefit limits of the employer's PIP medical coverage limit selection. This is true even if the driver has a PIP policy with a higher or unlimited cap.



Out-of-State Residents

Out-of-state residents are NOT entitled to PIP medical coverage for injuries sustained in Michigan, unless they own a vehicle both *registered and insured* in Michigan.

Opting Out: Special Circumstances

Under certain circumstances, drivers may choose to opt-out of PIP Medical Coverage entirely or exclude household members. If drivers opt-out of PIP Medical coverage completely, the entire PIP Medical portion of their insurance premium will be eliminated but excluded members will have no PIP medical coverage under the policy.

Pros for Michigan Drivers	Cons for Michigan Drivers
Choice of coverage	Cost
Drivers with Medicare can opt out	Lose medical care for duration of injury such as medically necessary rehabilitation.
Save Money	Lose medically necessary services like unlimited rehabilitation
Benefits tolled from the day of the specific claim – NOT the date of accident.	Paid family-provided attendant care limited to 56 hrs / wk.
Insurance commissioner involvement when insurance companies refuse to pay bills	Higher liability rates
Website for reporting fraud	Must sue for excess medical costs that exceed cap (your choice)
	Survivors required to satisfy new definition “serious impairment of body function” to sue for pain and suffering compensation.

CONSUMER PROTECTIONS

The no-fault law requires that the state of Michigan establish and maintain a website for consumers to redress their grievances when your claim is unfairly delayed or denied.

You can file a complaint directly from this [link](#).

<https://difs.state.mi.us/Complaints/FileComplaint.aspx>

ORDER OF PRIORITY

Motorcycle Rider(s)

In Michigan, motorcycles are not technically considered to be “motor vehicles.” Therefore, the no-fault law provides for a different order of priority for paying your benefits:

1st Priority is the insurance of the motor vehicle owner (non-motorcycle)

2nd Priority is the insurer of the motor vehicle operator (non-motorcycle)

3rd Priority is the insurance of the motorcycle operator involved in the accident

4th Priority is the insurer of the motorcycle owner

5th Priority Assigned Claims Plan



ORDER OF PRIORITY (CNTD)

The basic rules of priority previously existing have not been changed by this legislation – with some exceptions for vehicle occupants, pedestrians and motorcycle riders without PIP medical coverage.

[See table in No-Fault Guide – to come]

Who Pays for No-Fault Benefits?

The Michigan Auto No-Fault law determines which insurance company is responsible for benefit payments. Benefits are paid according to who is insured.

In the no-fault system, each individual's car insurance company is responsible for paying benefits to its own driver. The order of priority changes depending on the type of vehicle(s) involved and whether the injured party is the driver, passenger or pedestrian.

Driver and Passenger(s)

1st Priority is your own insurance company

2nd Priority is insurance company of spouse or household member

3rd Priority the bills go to the Assigned Claims Plan

Pedestrian(s)

1st Priority is their own insurance

2nd Priority is insurance company of spouse or household member

3rd Priority the bills go to the Assigned Claims Plan

See
chart
on next
page

Order of Priority Chart

Private Vehicles 3114(1), (4)	Vehicles for Hire: Operator 3114(2)	Vehicles for Hire: Type A* 3114(2)	Vehicles for Hire: Type B 3114(2)**	Employer Furnished 3114(3)	Motorcycle 3114(5)	Non-Occupants (pedestrian/bicyclists) 3115
Your own policy	Insurer of vehicle owner	Your own policy	Insurer of vehicle owner	Employers Insurer	Insurer of operator of MVA	Your own policy
Insurer of spouse and resident household relative	Your own policy.	Insurer of spouse and resident household relative	Your own policy	Insurer of injured person	Insurer of the operator of involved MVA	Insurer of spouse and resident household relative
Michigan Assigned Claims	Insurer of spouse and resident household relative	Insurer of motor vehicle	Insurer of spouse and resident household relative	Insurer of spouse and resident household relative	Insurer of the motorcycle	Michigan Assigned Claim Plan
	Michigan Assigned Claim Plan	Michigan Assigned Claim Plan	Michigan Assigned Claim Plan	Michigan Assigned Claim Plan	Insurer of the motorcycle	

*Type A: school bus, non-profit bus, taxis, transportation network, bus used to transport passengers to a destination

**Type B: ambulance, non-emergency medical transportation, limo, airport shuttle and party bus.

***Applies to an employee, his/her spouse or domiciled resident of either. All other occupants fall under private vehicle analysis.



FREQUENTLY ASKED QUESTIONS

Will My Auto Insurance Bill Go Down?

The new auto insurance law will allow you to choose a level of PIP medical coverage. Insurance companies are required to reduce the premium for this coverage so there will be an average reduction per vehicle based on the level of coverage selected *for the next eight years*.

You will also have the ability to choose different levels of bodily injury and property damage coverage. This choice will also affect your premium.

1. Drivers who choose to opt-out of PIP coverage will receive a 100% reduction.
2. Drivers who choose \$50,000 in PIP coverage will receive an average 45% reduction
3. Drivers who choose \$250,000 in PIP coverage will receive an average 35% reduction
4. Drivers who choose \$500,000 in PIP coverage will receive an average 20% reduction
5. Drivers who keep unlimited PIP coverage will receive an average 10% reduction

Contact your auto insurance company to review your coverage options and how they may affect your premium.



FREQUENTLY ASKED QUESTIONS

Will my medical coverage change under the new law?

Drivers will be able to choose from several different levels of PIP coverage. Those plans include:

1. PIP opt-out for those with Medicare or separate health insurance that covers auto accident-related injuries
2. \$50,000 in PIP coverage for those on Medicaid
3. \$250,000 in PIP coverage
4. Up to \$250,000 in coverage with PIP Medical exclusion(s)
5. \$500,000 in PIP coverage
6. Unlimited lifetime PIP coverage

Aside from the PIP opt-out, medical coverage is required under the new auto no-fault law.

Unless otherwise mentioned above, please note that the new law has no effect on your personal health insurance plan.

What happens if I get into an accident and my medical costs exceed my coverage?

Your employer's health care plan, Medicaid or Medicare may begin covering the cost of medical care. Those with higher medical costs can also seek damages from an at-fault driver's insurance policy. We hope you would have contacted an attorney already, but it may not be too late!



FREQUENTLY ASKED QUESTIONS

What steps should I take immediately following a motor vehicle accident?

First, make sure everyone is okay. Next, call emergency services to report the accident and inform them of any injuries to you or your passengers. After that, seek medical attention yourself to get documentation of your injuries and find out if you need additional treatment. As soon as possible, reach out to an attorney and begin the process of filing a personal injury claim.

How much is my case worth?

This is a question that's impossible to answer without a personal consultation. Your accident might be worth nothing. Or maybe you're looking at a lifetime of medical and rehabilitation bills and your case is worth millions. It's probable that your case falls somewhere in the middle. The only way to find out how much your case is worth is to meet a trusted, experienced personal injury attorney and discuss your claim. Call 844-LOBB-LAW to speak to an attorney today.

Does it matter how long I wait to call an attorney?

Yes! It absolutely matters how long you take to hire a personal injury lawyer or Detroit automobile accident lawyer. The longer you wait, the more evidence you lose and the less time your attorney has to build a case. The statute of limitations for a personal injury case in Michigan is three years from the date of the injury. However, if you wait that long to get started, you will have virtually no chance of recovering the evidence needed to get a fair settlement or jury award.

FREQUENTLY ASKED QUESTIONS

Should I sign a medical lien from my doctor when I'm involved in a collision?

Contact a personal injury attorney before signing anything related to your accident. Your attorney can ensure that the lien is valid and that the amount the doctor is billing is correct. Additionally, your attorney may be able to negotiate the amount of the lien. The more expensive it is, the less money you have left for other expenses after the amount is debited from your settlement.

What should I tell the insurance company?

Contact an attorney after you've taken care of your immediate physical medical needs and, from there, they can help you manage your insurance company. Your insurance company must protect your best interests, but until the facts of the case are clear, avoid saying anything that would weaken your case.

Also, don't say anything to the *other* driver's insurance company. They will likely contact you right after the accident for a statement and to offer an absurdly low settlement. They will sound empathetic and worried about your health, but their end goal is to coax information from you that limits their client's liability and justifies a lower settlement offer. Make sure you have an attorney *before* you have any communication with the other party's insurance provider.



FREQUENTLY ASKED QUESTIONS

Will I cause the other driver problems if I hire an attorney?

Do not worry about causing problems for the other driver by hiring a personal injury lawyer and pursuing compensation. This is exactly why people have car insurance. It ensures that they are not financially ruined if they cause a car accident. Since Michigan is a “no-fault” auto state, in the vast majority of cases, liable drivers do not pay anything out-of-pocket. Their car insurance company will negotiate a settlement, pay it, and adjust their insurance rates. The biggest problem that the other driver may experience is a bump in monthly premiums, which is far less than the financial troubles you would go through if you had to pay for your own time away from work, medical bills and property damage.

What should I do if I’m injured in a hit-and-run accident?

First, immediately call emergency services. You need medical care and the police can attempt to catch the hit-and-run driver. Leaving the scene of an accident is a crime and the other driver must be held accountable. At your earliest convenience, jot down everything you remember about the other driver, including the make of the car, the model of their car, where the accident occurred, and any digits in the license plate.

Be sure to get a full medical examination and retain all copies with your medical records. Even if you don’t know the identity of the other driver, you want to be prepared for a potential personal injury case.

Finally, retain a personal injury lawyer. If the other driver is apprehended or identified, you must be ready to file a lawsuit against them for the damages you suffered due to their actions.

IMPORTANT TERMS: DEFINITIONS

Here are some terms you'll find when reviewing your Personal Injury Protection Medical Coverage:

Applicant refers to the person who has submitted an application for insurance but is not yet covered by a policy.

Assignment of Benefits happens when the insured allows an insurer to pay the claim directly to a third party.

Attendant Care means services to assist an injured person with tasks they would normally do themselves (eating, bathing, dressing, grooming and medication management among other things). It may also involve supervision or other types of support.

Benefit Triggers are conditions that must be met before any benefits are paid.

Catastrophic Injury refers to an injury that permanently prevents an individual from performing any gainful work.

Coordinated Benefits are a choice in your no-fault coverage. These only pay those bills not covered by health insurance.

Deductible indicates the amount or percent of an insurance claim that the insured is responsible for and the company deducts for payment.

Excess Attendant Care refers to additional coverage purchased for attendant care above the PIP medical coverage limit selected for your policy.

IMPORTANT TERMS: DEFINITIONS (CNTD)

First Party Claims occur when the insurance company that pays for the insured no matter who caused the accident.

Michigan Assigned Claims Plan is a program that may pay benefits to people injured in an accident where no applicable auto insurance company.

Named Insured refers to the individual(s) named in an auto insurance policy.

Personal Injury Protection (PIP) Medical Coverage is coverage within an auto insurance policy issued in Michigan that pays allowable expenses for medical care, recovery, rehabilitation and some funeral expenses.

Qualified Health Coverage means one of the following:
Health and accident coverage that does not exclude or limit coverage for injuries related to auto accidents and has an annual individual deductible of \$6,000 or less.
Medicare Parts A and B

Resident Relative indicates a relative of either you or your spouse who lives in the same household.

Third Party Claims are claims for property made by a third person who is not a party to a dispute that is in court.

Uncoordinated Benefits are a choice in your no-fault coverage. These cover medical benefits even if health insurance exists.

ABOUT THE AUTHOR:

CHERIE LOBB

**MANAGING PARTNER &
TRIAL LAWYER**



As a young girl, Cherie loved to go to her dad's office with him any chance she could get. Even at only six years old, she loved being around the family business. She loved watching her dad work as an advocate for those who have been injured and their families, and as she grew, Cherie's passion did too. She set her mind to working hard, and growing up to be a plaintiff lawyer, just like her dad.

After completing her Juris Doctorate from Michigan State University Law School in 1999, she decided to take a leap of faith and go to work in the field of Real Estate Law after receiving a prestigious offer in New York. It didn't take long before she realized that her heart just wasn't in it. Cherie prides herself on her ties to her roots and to her community, and she knew her real true passion was to represent injured victims, just as she watched her father do for so many years.

In 2003, she came home and joined her father, and the firm's name changed from Joseph R. Lobb, P.C. to The Lobb Law Firm, where she and her father have been effectively and diligently helping accident victims and their families ever since.

After years of experience representing victims injured in car accidents, as well as other types of personal injuries, she knows the ins and outs of the court system and the best ways to help her clients move past their pain and limitations. Above all, however, she has empathy for those who have come to her for help and will work tirelessly to ensure they are given the compensation they need and sincerely deserve.

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