



Hastings Mutual
INSURANCE COMPANY
www.hastingsmutual.com

No-Fault Reform Driver's Guide



What You Need To Know About No-Fault Reform

On July 2, Michigan vehicle owners will have more choices for their auto insurance coverage. For nearly 50 years, drivers had unlimited no-fault coverage: their insurance company paid medical bills for injuries suffered in a crash, no matter who caused it. This coverage was effective, but also often expensive. In 2019 Michigan's auto insurance laws were changed, with most of the law taking effect July 2, 2020.

Here's a brief look at what's changing for Michigan drivers. Note that this guide is only a starting point; for more details on coverages and costs and to discover what's recommended for you, talk with your local independent insurance agent about Hastings Mutual personal and commercial auto coverage.



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WHAT'S CHANGING FOR ME?

Starting this July, drivers can choose the amount of coverage their policy offers. There are two types that need to be selected:

Personal Injury Protection (PIP): If you get in a vehicular accident, PIP coverage pays for your care, recovery, rehabilitation, wage loss, and replacement services. This coverage also includes some funeral expense benefits and survivor's benefits which are paid to your dependents if injuries from an accident result in your death. This coverage applies whether it was you or someone else who caused the accident.

As a result of this change, the cost of PIP coverage for a vehicle will be reduced by the minimum average amount shown below. This may have an effect on the cost of your auto insurance.

Options	Coverage Amount	Minimum average reduction per vehicle in policy cost (for PIP expenses)
Option 1	Unlimited	-10%
Option 2	\$500,000	-20%
Option 3	\$250,000	-35%
Option 4	\$250,000 Limited*	-100%
Option 5	\$50,000*	-45%
Option 6	Opt out (\$0)*	-100%

*Consult your agent — special eligibility rules apply

Bodily Injury Liability: Bodily injury liability insurance covers claims made against you for injuries to others if you are at fault in a vehicular accident. Bodily injury coverage is expressed as two numbers: a per-person limit (the maximum payment for each person injured in an accident) and a per-accident limit (the maximum payment amount available for all people injured in the accident, even if it doesn't reach the per-person limit for each of them).

The new minimum limit for bodily injury liability is \$50,000 per person and \$100,000 per accident (this is usually written as 50/100).

Definition of Insured

There's also a modified definition of who's covered by a policy. Starting July 2, "insured" means:

- The named insured — the primary person covered by the policy
- His or her spouse
- Any relative of the named insured who is a permanent resident of the household (like children)



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WHAT DO I NEED TO DO?

When you buy a new auto insurance policy or renew your existing one, you'll have two selection forms to fill out:

- **PIP:** Michigan Selection Of Personal Injury Protection Medical Coverage
- **Bodily Injury:** Michigan Liability Coverage Limits Selection*

There are individual versions for you and commercial versions if you own a business.

* The Bodily Injury form is only needed if you want a coverage amount less than \$250,000 per person/\$500,000 per accident.

If you fill out the Bodily Injury form, it only needs to be completed once (unless you change your coverage), but the PIP form will need to be filled out each time your policy is renewed.

Where do I get forms?

Talk to your insurance agent about your Hastings Mutual policy. He or she will have a copy of the forms available. We're mailing copies to each of our policyholders. You can also download forms from our website at www.hastingsmutual.com/no-fault-reform.

It takes just moments to complete the forms. When you're done, please return them to your agent.

FAQ

When can I change my policy? Do I have to wait until I renew?

No, you can make the change at any time on or after July 2, 2020.

Will you send me the selection forms in the mail?

Yes, they will be sent well in advance of your policy renewal date. You will also receive a letter from Hastings Mutual explaining the forms and asking you to return them as soon as possible.

Can I download the forms?

You can download the forms right from our website at www.hastingsmutual.com/no-fault-reform. We mail them to make returning the forms as simple as possible for our valued policyholders.

What if I don't return the forms?

If you don't make a PIP and Bodily Injury Liability selection on the appropriate forms and return them, your policy will default to the following coverage amounts:

- PIP: Option 1 — Unlimited
- Bodily Injury: \$250,000/\$500,000

What if I have other questions?

Your local independent insurance agent is always ready to help with your questions on your Hastings Mutual auto insurance policy.