

ESIS Auto Liability Judicial Update

Effective June 11, 2019

This is to inform you on a recent major legislative development in Michigan.

Please be advised that effective June 11, 2019, the State of Michigan enacted House Bill 4397 to revise the current No-Fault law in that state and allow insurers to offer the following PIP coverage options to their insureds on policies issued on and after July 1, 2020:

- \$50,000 limit for any PIP benefits and an additional \$200,000 for medically necessary emergency treatment;
- \$250,000 limit for any PIP benefits;
- \$500,000 limit or any PIP benefits; or
- Unlimited PIP coverage. Limits are per person per loss occurrence.
- No PIP coverage, provided that the policyholder has qualified health coverage and can present documentation.

New Coverage Selection/Election Forms are being developed for use by policyholders or applicants for insurance to select a PIP coverage level or elect to not maintain PIP coverage. The forms will contain specific language and directions.

In addition to the above, the House Bill included other changes as well including:

New rules for Utilization Review;

- PIP Claim Priority on insurance policies.
- Tort Liability and Other Actions - includes the modification on which a nonresident may pursue tort liability and allows a health care provider to assert a direct cause of action against an insurer to

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recover overdue benefits payable. It also allows the court to award an insurer's attorney reasonable fees in defending against certain improper claims.

The Bill also specifies that the Michigan Catastrophic Claims Association (MCCA) will no longer have liability for a loss under PIP coverage for a motor vehicle accident policy, unless an insured chose unlimited PIP coverage.

All of these changes will have an impact on how future Michigan No-Fault claims will be handled.

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