



**Consumer
Protection**

**Operational
Compliance**

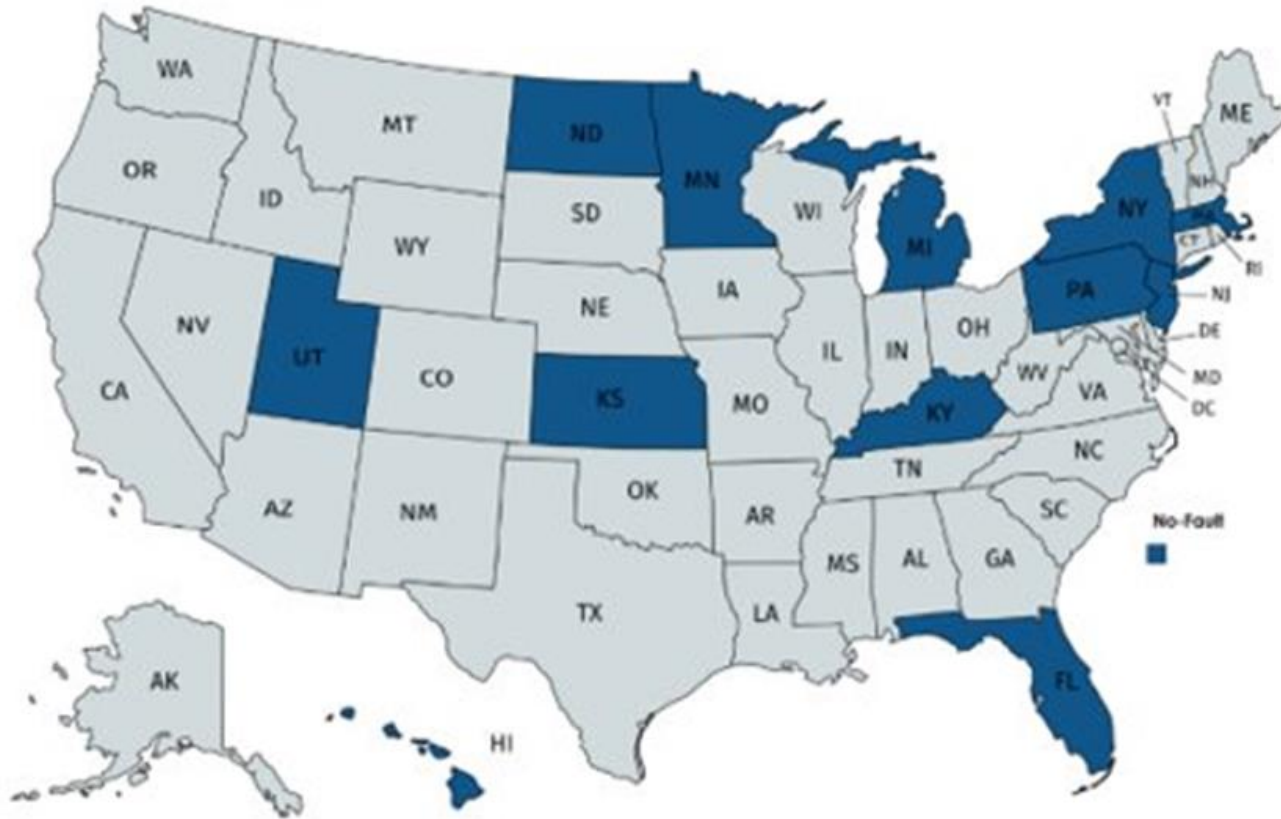
**Financial
Solvency**



Auto Insurance Reform



Michigan's Unique Insurance System



| No-Fault State | Highest PIP Limit Available | Statutory PIP Minimum |
|----------------|-----------------------------|-----------------------|
| Michigan | Unlimited | \$0 |
| Kansas | \$4,500 | \$4,500 |
| Minnesota | \$40,000 | \$40,000 |
| North Dakota | \$30,000 | \$30,000 |
| New Jersey | \$250,000 | \$15,000 |
| Florida | \$10,000 | \$10,000 |
| Hawaii | \$10,000 | \$10,000 |
| Kentucky | \$10,000 | \$10,000 |
| Massachusetts | \$8,000 | \$8,000 |
| New York | \$50,000 | \$50,000 |
| Pennsylvania | \$5,000 | \$5,000 |
| Utah | \$3,000 | \$3,000 |



Increased Consumer Protections

- Eliminates Certain Non-Driving Factors
- Requires Prior Approval
- Increases Fines and Penalties
- Creates the Fraud Investigation Unit



Mandatory Coverages



PIP Medical Coverage: Your Choices

PIP Medical Coverage Levels Available to Michigan Drivers:

- Unlimited coverage per person per accident
- Up to \$500,000 in coverage per person per accident
- Up to \$250,000 in coverage per person per accident
- Up to \$250,000 in coverage per person per accident with exclusions
- Up to \$50,000 in coverage per person per accident (Medicaid)
- Medical PIP opt-out (Medicare)





Lower Costs, Maintains Benefits

PIP Rate Reductions - July 2, 2020

- Unlimited PIP Option - avg. 10% reduction
- \$500k PIP Option - avg. 20% reduction
- \$250k PIP Option - avg. 35% reduction
- \$50k PIP Option - avg. 45% reduction





Lower Costs, Maintains Benefits

Other Cost Reduction Methods:

- Fee schedule (after July 1, 2021)
- Michigan Catastrophic Claims Association (MCCA) Assessment





Utilization Review





Bodily Injury Liability Coverage Limits

- Previous Required Coverage: \$20,000/\$40,000
- Current Minimum Required Coverage: \$50,000/\$100,000
- Current Default Coverage: \$250,000/\$500,000





Filing Review Process



Filings Reviewed

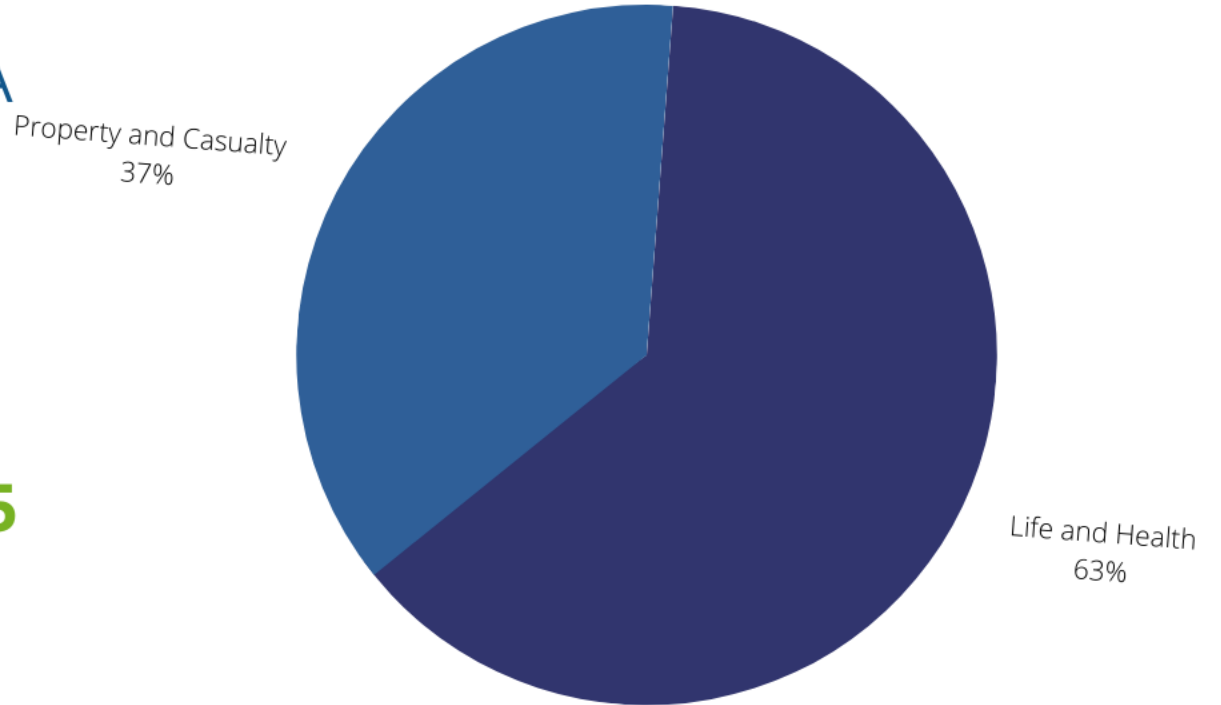
Life and Health Filings - 2,888

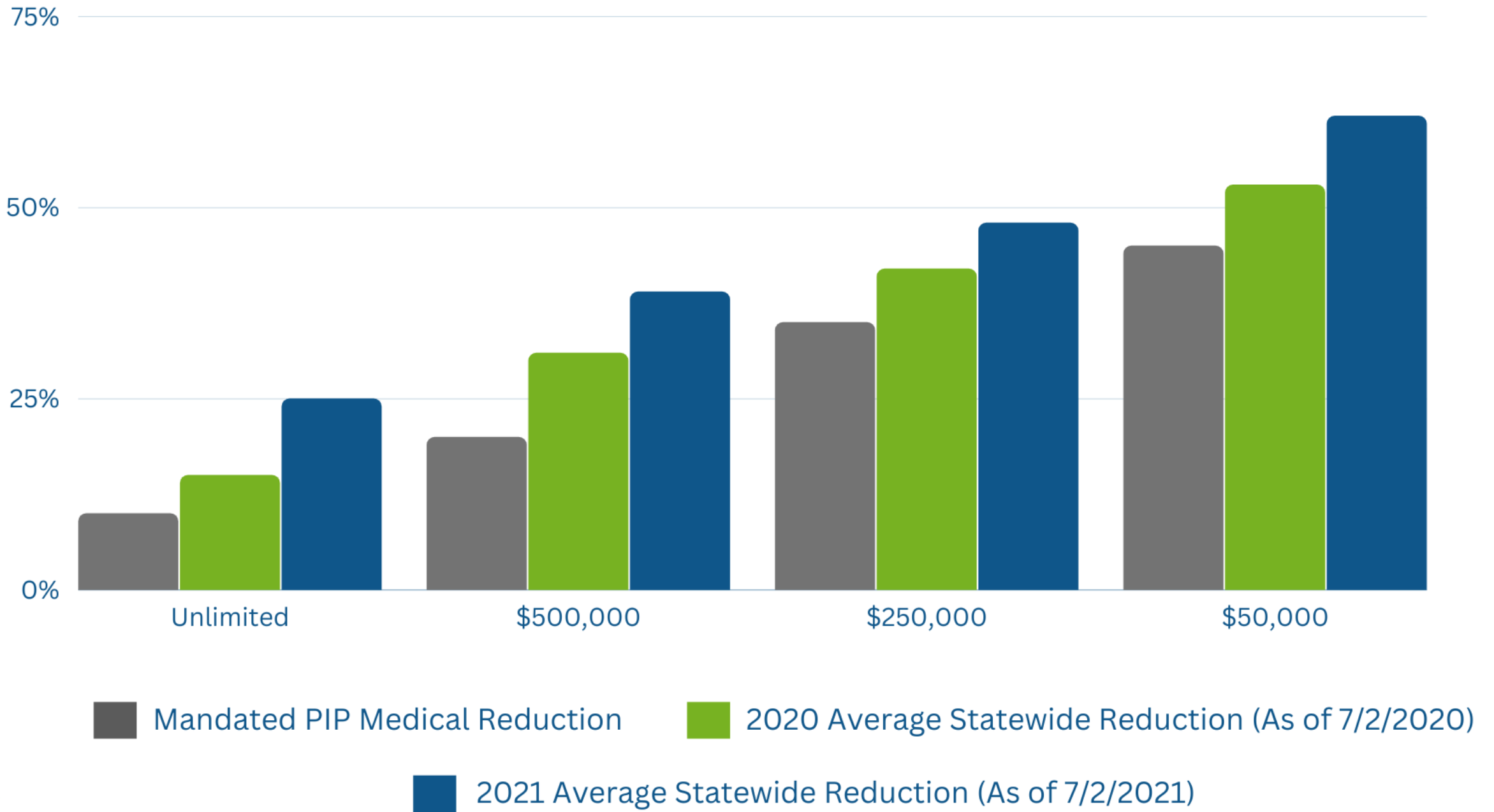
- Includes 26 individual/small group ACA
- Includes 21 Stand Alone Dental Plans

Property and Casualty Filings - 1,697

- Includes 99 No Fault filings

Total Filings Reviewed in 2022 - 4,585







Recent Michigan Supreme Court Decision

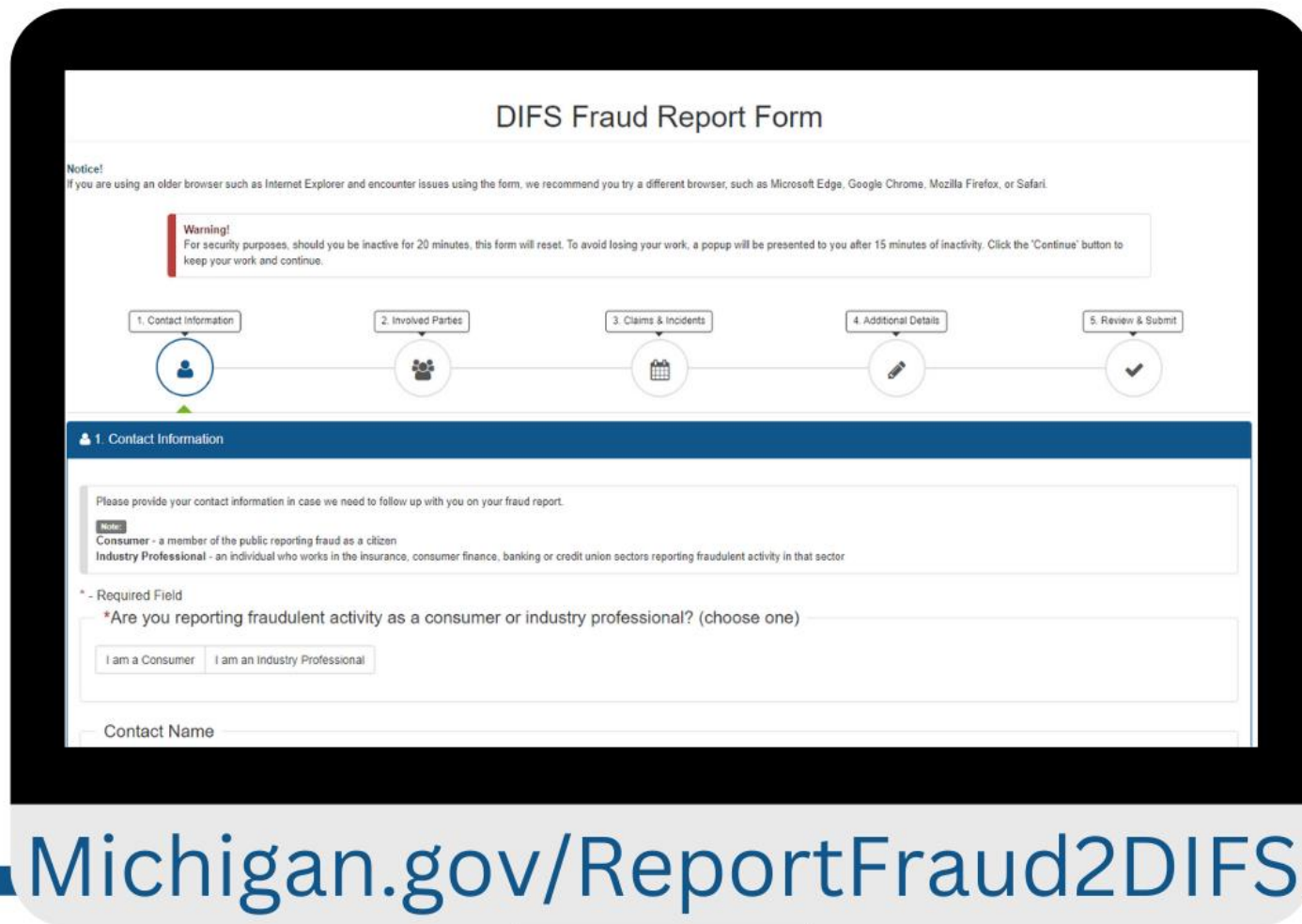


Insurance Fraud Taskforce

- DIFS' FIU
- Attorney General
- Michigan State Police



DIFS Online Fraud Report Form



The screenshot shows the 'DIFS Fraud Report Form' interface. At the top, there is a title 'DIFS Fraud Report Form'. Below the title, a 'Notice!' section states: 'If you are using an older browser such as Internet Explorer and encounter issues using the form, we recommend you try a different browser, such as Microsoft Edge, Google Chrome, Mozilla Firefox, or Safari.' A 'Warning!' box follows, indicating that the form will reset after 20 minutes of inactivity and a popup will appear after 15 minutes. Below the warning is a progress bar with five steps: '1. Contact Information', '2. Involved Parties', '3. Claims & Incidents', '4. Additional Details', and '5. Review & Submit'. The first step, '1. Contact Information', is currently active and highlighted in blue. Below the progress bar, the '1. Contact Information' section is displayed. It includes a note: 'Please provide your contact information in case we need to follow up with you on your fraud report.' A 'Note' box defines 'Consumer' as a member of the public reporting fraud as a citizen and 'Industry Professional' as an individual who works in the insurance, consumer finance, banking or credit union sectors reporting fraudulent activity in that sector. A required field question asks: '*Are you reporting fraudulent activity as a consumer or industry professional? (choose one)'. Below this question are two radio button options: 'I am a Consumer' and 'I am an Industry Professional'. At the bottom of the visible form, there is a 'Contact Name' input field.

Michigan.gov/ReportFraud2DIFS



Implementation and Education

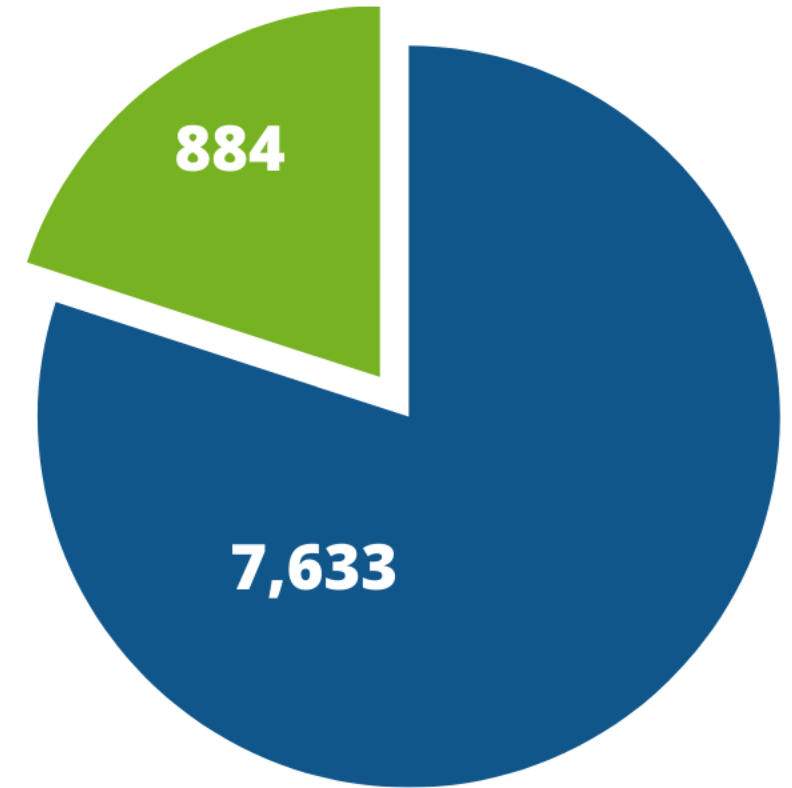


2022

- 8,517 Complaints
- 3,611 Written Inquiries

Complaint Breakdown

- Financial Institutions
- Insurance



Auto Insurance Complaints



\$26 Million

Recovered for Michigan Residents



Penalties for Insurers

- Administrative Fines
- Penalty Interest
- Market Conduct Review



Auto Insurance Resources

- Michigan.gov/AutoInsurance
- AutoInsurance@michigan.gov
- **833-Ask-DIFS**



Bulletins

- **Bulletin 2023-21-INS:** Payment and Billing Guidance for No-Fault Automobile Insurers and Health Care Providers
- **Bulletin 2021-38-INS:** Applicability of MCL 500.3157.
- **Bulletin 2021-36-INS:** No-Fault Billing Disputes

STATE OF MICHIGAN
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES

Bulletin 2020-05-INS

In the matter of:
Medicare and No-Fault Automobile Insurance

Issued and entered
this 10th day of February 2020
by Anita G. Fox
Director

After July 1, 2020, Michigan Medicare enrollees who renew or purchase a new no-fault automobile insurance policy can choose to "opt out" of Personal Protection Insurance (PIP) medical benefits. To do so, the enrollee must demonstrate that they are enrolled in Medicare Parts A and B and that their spouse or any relative of either who resides in the same household has qualified health coverage (QHC) or automobile insurance coverage that includes PIP medical benefits.

Medicare will pay for Medicare-covered services to enrollees who opt out of PIP medical benefits, are injured in an automobile accident, and have no other available coverage.¹ The enrollee will remain financially responsible for coinsurances, copayments, deductibles, and for any services Medicare does not cover, such as transportation to and from medical appointments, vehicle modifications, case management services, residential treatment programs, long-term and custodial care, and replacement services. Please see Medicare's booklet titled "[Your Guide to Who Pays First](#)" for more information.

The new law also allows Medicare enrollees to purchase lower than unlimited levels of PIP medical coverage: \$500,000 or \$250,000 per person per accident. If a Medicare enrollee is injured in an accident and exhausts his or her PIP medical limits, and has no other available coverage, Medicare will pay for Medicare-covered services, but the enrollee will remain responsible for coinsurances, copayments, and deductibles, and for any services Medicare doesn't cover.

Medicare enrollees are strongly encouraged to consider their insurance needs and budget, and may want to consult with an auto insurance agent, an insurance company, or a financial advisor before opting out or choosing a level of PIP medical benefits.

Any questions regarding this Bulletin should be directed to:
Department of Insurance and Financial Services
Office of Consumer Services

¹ There are instances where a Medicare enrollee who opts out of PIP benefits will have other available coverage, including but not limited to coverage such as workers' compensation coverage or other employer-provided coverage, group health plan coverage through a spouse, TRICARE, or coverage from other sources. In these cases, Medicare will pay secondary to those coverages. See "[Your Guide to Who Pays First](#)" pp. 6-8.



What Types of Assistance Can DIFS Provide?

Yes

- Review complaints against persons and business entities regulated by DIFS
- Review policy language and applicable statutes

No

- Act as a court of law
- Act as an attorney or give legal advice
- Take action in contractual matters involving businesses
- Workers' Compensation, UIA, Medicaid, Treasury (Unclaimed Property), policies/properties in another state, or pensions



Find us on Social Media



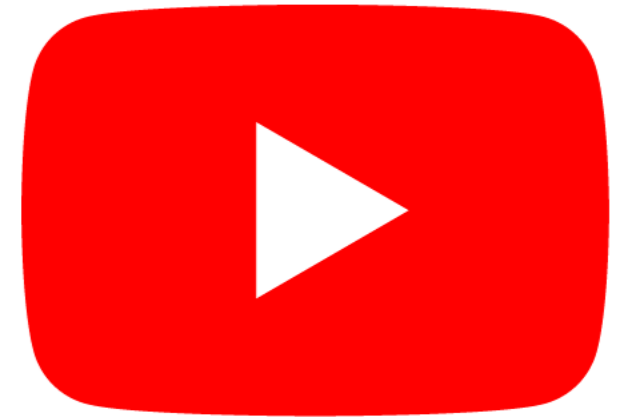
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Financial Services



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