

What Is Personal Injury Protection (PIP)?

Personal Injury Protection (PIP) helps cover expenses for injuries in an auto accident. In Michigan, PIP covers these expenses no matter who is at fault for the accident. PIP coverage is the largest part of your auto insurance premium. It usually makes up about half of your total cost. One of the biggest changes with Michigan's Auto Insurance Reform Law is that beginning July 2, 2020, you can now choose your PIP Allowable Expenses (AE) coverage amount, which can save you money. Here are some considerations to help you choose the right individual PIP option* for you and maximize your savings.

What Level of PIP Allowable Expenses Coverage Is Right for You?



Are you on a tight budget but still need auto coverage?

Do you want better coverage at a reasonable cost?

Do you want to pay a bit more to keep your current level of coverage?

If you have Qualified Health Coverage or Medicare, you can exclude PIP coverage to maximize your savings. In this case, you would look to your healthcare coverage to pay medical expenses associated with an auto accident. Medicaid members also have a lower limit and cost option available.

You can now choose lower PIP limits.

You can keep your Unlimited Coverage, so your medical expenses from an auto accident will be covered.

PIP Options:

- \$250,000 limit with PIP AE exclusion – 100% PIP premium savings
- Allowable Expenses Exclusion: Medicare Only – 100% savings
- \$50,000 limit: Medicaid Only – 45% AVG savings

PIP Options:

- \$500,000 limit – 20% AVG savings
- \$250,000 limit – 35% AVG savings

PIP Options:

- Unlimited – 10% AVG savings

Coverage Level:
Good

Coverage Level:
Better

Coverage Level:
Best

What Is Qualified Health Coverage?

Qualified Health Coverage includes individual or employer-sponsored plans that fully cover auto-related medical expenses and have a deductible of \$6,000 or less per person. You, or members of your household who have Qualified Health Coverage, may opt out of PIP coverage (i.e., selecting an exclusion from PIP Allowable Expenses coverage). Check with your health insurance provider to see if your plan is eligible.



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* Your new PIP coverage options are for Allowable Expenses coverage, a component of PIP (PIP AE). Please note that certain PIP AE options have eligibility requirements that apply to the named insured and all resident relatives and may vary depending on the option. Please note that this information is being provided for general informational purposes. Please see the new no-fault reform law for complete details. Coverage is subject to all policy terms, conditions, exclusions and limitations. Discounts and savings opportunities subject to eligibility requirements. Subject to underwriting requirements. Insurance underwritten by one of the following companies: Auto Club Insurance Association, MemberSelect Insurance Company, Auto Club Group Insurance Company or non-affiliated insurance companies. ©2020 The Auto Club Group. All rights reserved. 20-IN-0339