

To Our Valued Customer,

The Michigan Legislature has passed Auto Insurance Reform which will take effect on July 2, 2020. We want to make you aware of the changes and that we are working diligently on what this means to you, our valued customer.

With the Auto Insurance Reform you have more options.

Prior to July 2020, everyone in Michigan has had unlimited medical benefits with our Personal Injury Protection (PIP) coverage. In July you will have options. You can **keep your unlimited PIP** or **choose PIP options with limits** of: \$500,000 **OR** \$250,000 **OR** \$50,000 (only for those who are on Medicaid), **OR** Opt-Out of PIP (only for those who have Medicare Parts A & B). Depending on the option you choose, you will see a reduction in your insurance premium.

How might the new law impact you?

Should you decide to choose a PIP option other than unlimited coverage, you may want to consider your own personal risk tolerance and financial situation. For example, what happens if you're severely injured in an auto accident and your medical bills exceed your new coverage limits? Will your health insurance cover those bills? If you can't work, do you have disability insurance? If you get sued for the accident, do you have savings and other assets that could be at risk?

With this new auto insurance legislation, lawsuits will become more prevalent and here is why:

- In the past, there really was no need to sue for medical expenses as everyone had unlimited medical benefits.
- Now, let's say you are in an auto accident and you severely injure someone who has not chosen unlimited PIP medical benefits.
- If the injured person's medical expenses reach the PIP limit they have chosen and they lose their health insurance benefits through their employer (because they are unable to work), they will be more likely to hire an attorney and sue you.

Here's what Integrity Insurance recommends for you.

Keep your Unlimited PIP as you will still see a savings. Have Bodily Injury liability limits of at least \$500,000. Consider a Personal Umbrella Policy. Even with these recommendations, there is no guarantee your liability coverage will be adequate.

A Selection Form will be mailed for auto insurance policies renewing on July 2, 2020 and later.

About 60 to 90 days before your auto policy renews you will receive a **Selection Form** directly from the insurance company. It is very important that you complete and return the **Selection Form** by the deadline indicated on the Form. If you have any questions, please call our office and we will be happy to help.

Check out our website at: www.integrityins.net or the Integrity Insurance & Investments Facebook page: <https://www.facebook.com/Integrityins.net/>. Both include helpful resources, plus you can see a video from Doug explaining the changes.

Thank you for your continued business, your patronage is greatly appreciated.

Doug Warsen, Tracy Warsen, Will Warsen, Patty Gamaggio, & Melissa Stuart

Note: If by chance we do not currently write your auto insurance please call us as we'd appreciate the opportunity to give you a no obligation quote. You can then see how this Auto Insurance Reform has impacted your rates.