



# Auto Insurance Reform

How to Save the Most Starting July 2nd

Mayor Mike Duggan – Thursday, June 18, 2020

# Send us your auto insurance questions!

- **By TEXT: 313-710-9175**
- **On the web:**

<https://detroitmi.gov/autoinsurancequestions>

# October 6, 1972 Michigan Legislature Passed No-Fault on Promise of Lower Rates, Fewer Lawsuits

**CLOUDY**

Slightly Warmer

High 58-63 Low 34-39

Map and Details on Page 3-A

**HOURLY TEMPERATURES**

8 p.m. 56	7 p.m. 48	11 p.m. 42
4 p.m. 56	8 p.m. 45	12 mid. 41
3 p.m. 55	9 p.m. 44	1 a.m. 41
8 p.m. 54	10 p.m. 44	2 a.m. 40

## Detroit Free Press

ON GUARD FOR 141 YEARS

Vol. 142—No. 153

Sunday, October 8, 1972

**METRO**

John S. Knight's  
Notebook

See Page 2, Section C

• • •  
Thirty Cents

# No-Fault Could Lower Rates

BY TRUDY LIEBERMAN  
Free Press Consumer Writer

When the state's new no-fault auto insurance law goes into effect next October, you probably will pay less for your car insurance.

That wasn't why no-fault was designed, and there are still many people who don't believe premium reductions really will come about. But projected rates compiled and newly released by the Michigan Insurance Bureau indicate that millions of Michigan drivers could feel some premium relief.

The figures and explanations of various no-fault provisions were made available to the Free Press by Deputy Insurance Commissioner Robert Rowe.

**THE MAIN REASON** for the reduction is that under the no-fault bill passed by the Legislature Friday, the amount of medical and disability benefits paid to you through no-fault auto insurance will depend on the amount of benefits you receive from other medical and disability coverage.

The more you collect from other insurance, the less you'll need from your no-fault policy, and so the smaller will be your no-fault premium.

For example, a married couple in the 30-64 age bracket who drive to work in a three-year-old Buick Le Sabre and earn \$200 a week might pay \$117 for a minimum coverage no-fault policy.

One exotic provision of the no-fault bill will pay the injured person up to \$20 a day for three years for maid service.

If they choose to deduct their Blue Cross coverage, they could get their car insurance for perhaps \$20 less. Furthermore, if the man is covered by some group disability insurance at work, he will get another few more dollars knocked off his auto premium.

One exotic provision of the no-fault law will pay the injured person up to \$20 a day for three years for maid service. But if you choose not to buy this coverage, you could save even more money.

This is the first time that automobile insurance has been co-ordinated with other forms of insurance. And supporters of no-fault believe that this co-ordination will eliminate overlapping benefits and premiums. But because the law is so new, no one is exactly sure how much of a saving people will realize.

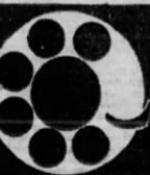
Insurance companies may devise other kinds of deductibles so you can get cheaper insurance. But no one knows what these will be.

The amount of auto premiums you will pay also will depend partly on how much income you have. You will buy insurance to compensate for your lost wages if you are injured and can't work.

So the lowest premiums for lost-wage insurance will be for those who are in low-income groups. And, as before, there will be smaller premiums for those who have low value cars.

Young, single drivers who now pay the most for insurance probably will save the most money under no-fault, for many will not have to buy coverage to supply death benefits to dependents as a man supporting a family would have to do. In-

Please turn to Page 8A, Col. 1



**Action Line**  
Dial 222-6464

Action Line solves problems, gets answers, cuts red tape, stands up for your rights. Write Action Line, Box 881, Detroit, Mich. 48231. Or dial 222-6464 between 8:30 a.m. and 4:30 p.m. Monday through Friday.

Two Saturdays ago we took our children for a ride through a forest near our home in Afton. We came on a racing car that had crashed into a tree. A man with a crash helmet told us to be careful because 45 more cars were coming through at 90 to 100 miles an hour. Can you find out what's going on and put an end to it?—R.B., Afton.

Race was legal, though some of the drivers weren't. What saw was a rally called Press On Regardless. Drivers are to use public roads, not to speed. Rally officials said they're running an endurance race, not a speed race, and contestants might go over lawful limits get a 30 minute penalty. State cops weren't called soon enough last time, only nabbed a

# Detroit Free Press

AN INDEPENDENT NEWSPAPER

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2-B

SUNDAY, SEPTEMBER 2, 1973

*As We See It*

## Better Protection for All Under No-Fault Insurance

SOME OF THE QUESTIONS raised in the Michigan Trial Lawyers suit to stop no-fault auto insurance are valid, but most are not new. There will be problems with no-fault, but fewer than with the present tort liability system of auto insurance.

The suit alleges that Michigan's no-fault law, due to take effect Oct. 1, discriminates against poor people because it requires them to buy insurance in order to continue driving legally.

And no-fault does discriminate against the poor — just as everything else that costs money discriminates against the poor.

But the new Michigan law will have the advantage of keeping middle-income accident victims from becoming poor, and will keep some poor accident victims from being doomed to a life of poverty.

Too many Michigan drivers are presently either uninsured or underinsured. They save money as long as they stay out of accidents, but many have found that accidents do not always happen to the other guy.

About 325,000 drivers pay the \$45 uninsured motorists fee, some thinking the

number of accidents involving uninsured drivers who elected to pay the damage before a claim could be filed with the state.

Insured motorists, too, can suffer great financial hardships after being involved in serious accidents. At present, the delays often last years while lawyers for the parties involved in an accident battle it and out of court. Sometimes no determination of fault can be made, and the victims are left to suffer on their own.

Under no-fault there will be no lengthy negotiations or court cases to find fault and the victim's company will be required to make prompt payment.

The fault-finding process is an expensive one, and despite Michigan Trial Lawyers president Harry Philo's statement that lawyers will do better for the first 10-12 years with the no-fault law, the lawyers have been doing quite well under the tort liability system.

Self-interest has never strayed far from the lawyers' hearts, and we doubt that they would do nearly as well under no-fault with lawsuits limited to the most severe accidents.

## Typical Editorial of the Day:

**“17% of all lawsuits are auto accidents, clogging up the courts.”**

**“Under no-fault there will be no lengthy negotiations or court cases to find fault... Lawsuits will be limited to the most severe accidents.”**

**“Young, single drivers will save the most money under no-fault.”**

# The result has been far different: Michigan has had highest costs in U.S. for 7 straight years

## Michigan has the highest car insurance rates in the country, report says

Posted: 11:11 AM, Feb 11, 2019 Updated: 11:26 AM, Feb 11, 2019



## Why Detroit is the most expensive city in America to buy car insurance

It has more to do with bad state policy than crime

ASK Mike Duggan, the mayor of Detroit, what keeps him up at night and he replies, without a second's hesitation, "car insurance". For those familiar with the city's precarious finances, bad schools and blighted neighbourhoods, this might seem a strange answer. But even among this throng of flashy ailments, Detroit's car insurance problem looks egregious. The average cost of insurance premiums in the city is \$5,414 per year, more than twice the state average and nearly four times the national average. For the typical Detroit household, making \$26,300 a year, this would represent 21% of pre-tax income. Cars are an inescapable necessity in Motor City, a 140-square-mile expanse lacking robust public transportation. Residents therefore flout the law by registering their policies at addresses outside the city, where insurance costs less than half what it does inside, or by driving without any insurance at all. Good numbers are

**The 1972 law failed to control costs for one reason:  
No one anticipated the explosion in medical costs**

**In 1972, medical bills made up only 6% of total auto insurance costs. The debate had almost no discussion of medical bills.**

**In 1972, if you got in a car accident, your medical bills were paid by your own health care:**

**Employer Health Care**

**Medicare**

**Medicaid**

**VA**

**300,000 drivers without health care coverage paid \$45 into the uninsured motorist fund.**

**Affordable No Fault is about one thing:  
Reducing Michigan's cost of medical coverage**

**In 1972, medical bills made up 6% of your total car insurance premium.**

**In 2020, medical bills average 42% of your premium.**

**Michigan's car insurance rates are the highest in America because for 48 years we have been forced to buy the most costly medical coverage in order to drive.**

# **It's been a 5 year fight in Lansing to reduce Detroit's car insurance rates**

**2015** Introduced D-Insurance to let Detroit start our own auto insurance company.

**Died on Senate Floor.**

**2017** Introduced Driver's Choice: Guaranteed 20% rate cut for everyone in Michigan.

**Defeated on House Floor.**

**2018** Sued the State of Michigan in federal court for unconstitutional excessive insurance rates.

**We finally got Lansing's attention**

**On July 2<sup>nd</sup>, No Fault Reform Law takes effect  
For first time in 48 years, you have choice.**



**The new law takes effect July 2nd**

**So do you automatically  
get a rate cut July 2<sup>nd</sup>?**

**No. Not if you don't act.**

# 2020 Average Cost to Insure a Car Here Today is Ridiculous

<b>Detroit</b>	<b>\$4400</b>
<b>Michigan</b>	<b>\$2878</b>
<b>Illinois</b>	<b>\$1434</b>
<b>Indiana</b>	<b>\$1213</b>
<b>Wisconsin</b>	<b>\$1049</b>
<b>Ohio</b>	<b>\$1034</b>

# The Reason for the difference?

**Michigan is the only state that requires you to buy unlimited medical coverage with your car insurance – even if you already have your own health insurance**

<b>Detroit</b>	<b>\$4400</b>
<b>Michigan</b>	<b>\$2878</b>
<b>Illinois</b>	<b>\$1434</b>
<b>Indiana</b>	<b>\$1213</b>
<b>Wisconsin</b>	<b>\$1049</b>
<b>Ohio</b>	<b>\$1034</b>

Source: Insure.com

**There are two places on your bill requiring you to buy medical coverage for you: PIP and MCCA**

**PIP is Personal Injury Protection. It pays for your medical bills if you are injured in a car accident.**

**MCCA is the Michigan Catastrophic Claims Association. It pays for your medical bills in a catastrophic accident if the bills run over \$580,000.**

**For more than 40 years, Michigan drivers have been required to buy both, even if you already had health care.**

**In most states there is no requirement to buy medical coverage with your car insurance**

**In those states, if you already have health insurance, you use your own insurance. You don't have to pay for it a second time.**

**Why should a senior covered by Medicare have to buy medical coverage with their car insurance?**

# 12 states require PIP – To buy medical coverage with your car insurance

<b>Michigan</b>	<b>UNLIMITED</b>
New York	\$ 50,000
North Dakota	\$ 30,000
Minnesota	\$ 20,000
New Jersey	\$ 15,000
Florida	\$ 10,000
Hawaii	\$ 10,000
Kentucky	\$ 10,000
Massachusetts	\$ 8,000
Pennsylvania	\$ 5,000
Kansas	\$ 4,500
Utah	\$ 3,000

# That's Not Worst Part of the Medical Expenses

The 1972 No Fault Law Let Doctors and Hospitals Charge Whatever They Want

	<u>Medicare</u>	<b>Commercial</b> <u>Insurance</u>	<u>No Fault</u>
1 Hr. Phys Therapy	\$ 31	\$ 42	\$ 79
CT Scan	\$262	\$419	\$1,821
MRI	\$484	\$770	\$3,259

When the lawyers figured it out, they filed thousands of cases, especially in Detroit, to get a share of medical bills.

That drove no fault rates even higher



# **What we have is a tale of two Michigans**

**Those who can afford it, have the most expensive and comprehensive coverage for car accidents in the U.S.**

**More than 20% of Michigan drivers have no car insurance because they can't afford it. They get no medical coverage whatever if they're in an accident.**

**Michigan has criminalized 20% of our drivers who need a car and can't afford insurance.**

# A Detroit Driver with a good driving record for a 2015 Ford Focus

## Vehicle information

Vehicle Identification Number  
 Vehicle Rated Address  
 Assigned Driver  
 Other Named Insured(s)  
 Titleholder  
 Vehicle Usage  
 Vehicle Lease/ Purchase Date  
 Additional Discounts

### 2015 Ford Focus 4d

IFADP3F27FL  
 ST, DETROIT MI 48224-2558  
 Drive To Work/School, 3 - 9 Miles One Way, Less Than 10,000 Miles Per Year  
 AUG 1, 2018  
 ANTI-THEFT - PASSIVE, VEHICLE SAFETY - 4 WHEEL STANDARD DRIVER & PASSENGER-M

## Coverages

### 2015 Ford Focus 4d

#### Limits of Liability

#### Premium

Bodily Injury Liability:	\$100,000 Each Person / \$300,000 Each Accident	\$125.04
Property Damage Liability:	\$100,000 Each Accident Includes MI Limited Property Damage Liability	\$14.27
Property Protection:	Included	\$14.52
Personal Injury Protection:	\$300 Deductible Medical Benefits: Coordinated Work Loss Benefits: Primary Survivors' Loss Benefits	\$1,149.02
Uninsured Motorists:	\$100,000 Each Person / \$300,000 Each Accident	\$19.80
Underinsured Motorists:	\$100,000 Each Person / \$300,000 Each Accident	\$16.71
Comprehensive:	\$500 Deductible	\$191.66
Collision:	Basic: \$500 Deductible	\$590.76
Enhanced Exterior Repair Option:		Not Included
Car Rental:	\$50 Per Day / \$1,500 Maximum	\$78.27
Loan/Lease Gap:		Not Included
Extra Equipment:		Not Included
Broadened Other Car:		Not Included
<b>Premium Sub-Total</b>		<b>\$2,200.05</b>
Assessments:	MCCA: OTHER STATUTORY ASSESSMENTS:	\$10.00 \$20.75
<b>Total Vehicle Premium and Assessments</b>		<b>\$2,330.80</b>

**6 Month Cost: \$2,331**

**Full Year Cost: \$4,662**

# What makes up the bill?

Coverages		2015 Ford Focus 4d
	Limits of Liability	Premium
Bodily Injury Liability:	\$100,000 Each Person / \$300,000 Each Accident	\$125.04
Property Damage Liability:	\$100,000 Each Accident Includes MI Limited Property Damage Liability	\$14.27
Property Protection:	Included	\$14.52
Personal Injury Protection:	\$300 Deductible Medical Benefits: Coordinated Work Loss Benefits: Primary Survivors' Loss Benefits	\$1,149.02
Uninsured Motorists:	\$100,000 Each Person / \$300,000 Each Accident	\$19.80
Underinsured Motorists:	\$100,000 Each Person / \$300,000 Each Accident	\$16.71
Comprehensive:	\$500 Deductible	\$198.00
Collision:	Basic: \$500 Deductible	\$590.76
Excess Exterior Repair Option:		Not Included
Car Rental:	\$50 Per Day / \$1,500 Maximum	\$78.27
Loan/Lease Gap:		Not Included
Extra Equipment:		Not Included
Broadened Other Car:		Not Included
<b>Premium Sub-Total</b>		<b>\$2,200.05</b>
Assessments:	MCCA:	\$110.00
	OTHER STATUTORY ASSESSMENTS:	\$20.75
<b>Total Vehicle Premium and Assessments</b>		<b>\$2,330.80</b>

**Total 6 Mo. Cost: \$2,331**

**Collision                      \$ 591                      26%**

# Comprehensive (Theft) Makes Up Only 9%

Coverages	2015 Ford Focus 4d	
	Limits of Liability	Premium
Bodily Injury Liability:	\$100,000 Each Person / \$300,000 Each Accident	\$125.04
Property Damage Liability:	\$100,000 Each Accident Includes MI Limited Property Damage Liability	\$14.27
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Underinsured Motorists:	\$100,000 Each Person / \$300,000 Each Accident	\$19.80
Comprehensive:	\$500 Deductible	\$191.66
Collision:	Basic: \$500 Deductible	\$591.00
Enhanced Exterior Repair Options:		Not Included
Car Rental:	\$50 Per Day / \$1,500 Maximum	\$78.27
Loan/Lease Gap:		Not Included
Extra Equipment:		Not Included
Broadened Other Car:		Not Included
<b>Premium Sub-Total</b>		<b>\$2,200.05</b>
Assessments:	MCCA:	\$110.00
	OTHER STATUTORY ASSESSMENTS:	\$20.75
<b>Total Vehicle Premium and Assessments</b>		<b>\$2,330.80</b>

**Total 6 Mo. Cost: \$2,331**

**Collision                   \$ 591           26%**

**Comp. (Theft)           \$ 192           9%**

# Total Non-Medical Part of Bill is \$1,071

**Total 6 Mo. Cost: \$2,331**

**Collision \$ 591 26%**

**Comp. (Theft) \$ 192 9%**

**Passengers/Other \$ 257 11%**

**Total Non-Medical \$1,071 46%**

Coverages	2015 Ford Focus 4d	Premium
<b>Limits of Liability</b>		
Bodily Injury Liability:	\$100,000 Each Person / \$300,000 Each Accident	\$125.04
Property Damage Liability:	\$100,000 Each Accident Includes MI Limited Property Damage Liability	\$14.27
Property Protection:	Included	\$14.52
Personal Injury Protection:	\$300 Deductible Medical Benefits: Coordinated Work Loss Benefits: Primary Survivors' Loss Benefits	\$1,149.02
Uninsured Motorists:	\$100,000 Each Person / \$300,000 Each Accident	\$19.80
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Comprehensive:	\$500 Deductible	\$191.66
Collision:	Basic: \$500 Deductible	\$590.76
Enhanced Exterior Repair Option:		Not Included
Car Rental:	\$50 Per Day / \$1,500 Maximum	\$78.27
Loaner Car:		Not Included
Extra Equipment:		Not Included
Broadened Other Car:		Not Included
<b>Premium Sub-Total</b>		<b>\$2,200.05</b>
Assessments:	MCCA:	\$110.00
	OTHER STATUTORY ASSESSMENTS:	\$20.75
<b>Total Vehicle Premium and Assessments</b>		<b>\$2,330.80</b>

# 54% of the Bill is for Medical Expenses – PIP and MCCA – that’s \$1,249

Coverages	2015 Ford Focus 4d	Premium
	<b>Limits of Liability</b>	
Bodily Injury Liability:	\$100,000 Each Person / \$300,000 Each Accident	\$125.04
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Car Rental:	\$50 Per Day / \$1,500 Maximum	\$78.27
Loan/Lease Gap:		Not Included
Extra Equipment:		Not Included
Broadened Other Car:		Not Included
<b>Premium Sub-Total:</b>		<b>\$2,200.05</b>
Assessments:	MCCA: OTHER STATUTORY ASSESSMENTS:	\$110.00 \$20.83
<b>Total Vehicle Premium and Assessments</b>		<b>\$2,330.80</b>

**Total 6 Mo. Cost: \$2,331**

**Collision \$ 591 26%**

**Comp. (Theft) \$ 192 9%**

**Passengers/Other \$ 257 11%**

**PIP/Medical \$1,149 49%**

**MCCA/Medical \$ 110 5%**

**For the first time since 1972, starting July 2<sup>nd</sup>, you have the right to decide on your medical coverage**

- 1) You can keep your existing unlimited PIP policy.**
- 2) You can “opt out” of PIP entirely if you and your household already have your own qualified health coverage.**
- 3) You can buy reduced PIP at \$500,000 or \$250,000.**

# **Reducing or opting out of PIP only means opting out of PIP medical benefits.**

**PIP actually has three pieces:**

- 1) Medical**
- 2) Wages for work loss (85% of gross pay)**
- 3) Survivors loss benefits (for 3 years)**

**Under the new No Fault regulations, opting out of PIP only means opting out of the medical benefit.**

**You still keep the work loss and survivors benefit.**

**You have the right to change your coverage and  
your insurance company July 2<sup>nd</sup>**

**Even if you have renewed for 6 months, you have a  
right to cancel the expensive coverage immediately  
July 2<sup>nd</sup> and switch to new coverage.**

**Don't let your insurance company or your agent tell  
you that you have to wait until your renewal. You can  
act now.**

# **Option 1: Keeping your existing coverage**

**The new No Fault Law does little to cut insurance rates.**

**What the No Fault Law does is give you choice for the first time in 48 years. If you like your existing coverage, you don't need to do anything.**

**If you keep your existing coverage, your overall insurance bill may go up or down slightly.**

**If you want to change, you may have to demand it.  
You should shop around for quotes.**

**If you choose to change, in many cases:**

- 1) Insurance companies make less**
- 2) Your insurance agent makes less**
- 3) Doctors and hospitals make less**
- 4) Some trial lawyers make less.**

# **Who has the right to “opt out” of buying medical coverage from car insurance company?**

**Anyone who already has a health plan that is “qualified health coverage”**

**What’s “qualified health coverage”?**

**Two major criteria:**

- 1) Your health care covers car accidents**
- 2) Your health care deductibles are under \$6,000**

# Under the new law, what plans could be “qualified health coverage”?

- 1) Medicare Part A and B (93% recipients have both)
- 2) Employer Plans
- 3) Obamacare/Exchange/Other Plans
- 4) Veterans Administration?

**Medicaid does not count as qualified health coverage**  
**To opt out, you need to provide documentation to car insurance company that you have qualified medical coverage**

**If you're on Medicare Part A and B, you can opt out by giving your car insurance company a copy of your Medicare enrollment card**



The image shows a Medicare Health Insurance enrollment card. At the top, there is a blue banner with the Medicare logo (an eagle) and the text "MEDICARE HEALTH INSURANCE". Below the banner, the card displays the following information:

<b>Name/Nombre</b> <b>JOHN L SMITH</b>	
<b>Medicare Number/Número de Medicare</b> <b>1EG4-TE5-MK72</b>	
<b>Entitled to/Con derecho a</b> <b>PART A</b> <b>PART B</b>	<b>Coverage starts/Cobertura empieza</b> <b>03-03-2016</b> <b>03-03-2016</b>

A large, light gray watermark reading "SAMPLE" is overlaid diagonally across the center of the card. A red horizontal line is at the bottom of the card.

**You're covered by health care at work.**

**How do you "opt out"?**

**You need a letter that you're in a qualified health plan.**

**Self-insured plans: get letter from your employer**

Usually large employers several thousand employees

Usually Blue Cross Traditional or PPO's

**Fully-insured plan: get letter from your insurance company**

Most small and medium companies that offer HMO's.

Usually Blue Care Network, HAP, Priority, Meridian, other HMO's

Your employer should give you a contact at your insurance company.

# 8,000 full-time City of Detroit Employees are all in a qualified health plan

## In the City Blue Cross PPO?

A letter was sent to your home that gives you the information you need if you decide to opt out.



Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 304  
Detroit, Michigan 48226

Phone 313-224-2742  
Benefits Express 855-224-6200  
Fax 313-224-4456  
www.detroitmi.gov

June 15, 2020

City Employee  
2 Woodward Avenue  
Detroit, MI 48226

Dear Mr./Mrs. City of Detroit Employee:

#### Important Information about Your Benefits

This notice provides verification of your current qualified health insurance coverage. We encourage you to keep this letter for future reference.

The health insurance coverage provided to you and eligible individuals by the City of Detroit is "qualified health coverage" as defined in MCL 500.3107d(7)(b)(i) for purposes of the Michigan Auto No Fault Law that takes effect on July 2, 2020. Your qualified health coverage does not exclude or limit coverage for motor vehicle accidents and has an annual deductible of \$6,000 or less per covered individual.

Below will provide verification of your qualified health insurance coverage with the City of Detroit:

**YOUR POLICY TERM IS 1/1/2020 – 12/31/2020**

<b>GHP:</b>	City of Detroit	
<b>Carrier:</b>	BCBSM Community Blue PPO	<b>Group No.:</b> 007000988
<b>Subscriber:</b>	City Employee	
<b>Coverage:</b>	Medical/Hospitalization/Prescription Drug	
<b>Full Name(s) and Date(s) of Birth of all Individuals Covered on Policy:</b>		
	City Employee	6/18/1970

This Benefits summary can be presented to your automobile insurance carrier as proof of your healthcare coverage.

Sincerely,

*Benefits Administration Office*

# City of Detroit employees in the Blue Care Network or HAP Plans?

For Blue Care Network  
Call BCN 877-354-2583

For HAP  
Call 800-422-4641

Your health insurer will  
send you letter for your  
car insurance company.



Coleman A. Young Municipal Center  
2 Woodward Avenue, Suite 304  
Detroit, Michigan 48226

Phone 313-224-2742  
Benefits Express 855-224-6200  
Fax 313-224-4456  
www.detroitmi.gov

June 15, 2020

City of Detroit Employee  
2 Woodward Avenue  
Detroit, MI 48226

Dear Mr./Mrs. City of Detroit Employee:

#### Important Information about Your Benefits

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If you are interested in changing your auto insurance coverage, you may need additional documentation from your health insurance provider with your specific policy information.

Please reach out to your health insurance provider at the numbers below to obtain these documents:

Blue Care Network at (800) 662-6667

We encourage you to keep this letter for future reference.

Sincerely,

*Benefits Administration Office*  
Benefits Administration Office

**Private companies:  
Make it just as easy for your employees**

**Employees in your company's self-insured plan:**

**Send them a letter directly.**

**Employees in your company's fully insured plans (HMO's):**

**Provide them direct contact info at insurance company to quickly get their verification of qualified health coverage.**

**For private companies, we've made it easy:  
[www.detroitmi.gov/autoinsurance](http://www.detroitmi.gov/autoinsurance)**

## No Fault Employer Packet



**EMPLOYERS:**

**HELP YOUR EMPLOYEES REALIZE SAVINGS!**

**Starting July 2, there is a change in Michigan's Auto-No Fault Law**

**In the past, Detroiters had to purchase expensive, unlimited, one size fits all coverage. Now for the first time in 40 years, people will be able to choose the level of coverage that works best for them and their families. Everyone can save but the biggest savings will come to those who have health insurance that covers auto related accidents!**

**[www.detroitmi.gov/autoinsurance](http://www.detroitmi.gov/autoinsurance)**

**What if an individual bought health insurance on the exchange or bought it directly from the company?**

**Contact your health insurance company directly.**

**If you are covered for car accidents and have less than \$6,000 deductible, it is likely qualified health coverage.**

**Get the letter directly from your health insurer and give it to your car insurance company to opt out.**

**If your health care is covered by the Veterans Administration, you should be able to opt out by sending a copy of your VA enrollment card**

**Unfortunately, the Michigan Insurance Commissioner has not yet decided whether VA is qualified health plan – Hopefully will make that decision by July 2<sup>nd</sup>.**



**With opting out, there's a catch:  
Every relative living in your household must have  
health insurance for car accidents.**

**A relative in your house might ride in your car.**

**You can't have a complete opt out unless every **relative**  
who lives with you also has health care.**

**They can have health care for accidents one of two ways:**

- 1) Qualified health coverage**
- 2) Have their own No Fault PIP policy**

**If you live alone it's easy. It's just you.**

# Scenarios with other people in your household

- 1) You are on Medicare. You live with your husband. Your husband gets his health care from his company with qualified health plan.

**You can get 100% opt out from PIP Medical and MCCA.**

- 2) You are on Medicare and live with your daughter. She works as a waitress, doesn't have health care.

**But she does have her own no fault car insurance policy.**

**You can get 100% opt out from PIP Medical and MCCA.**

- 3) You live with your daughter and a nephew. You and daughter work for City of Detroit with qualified employer health care.

**Nephew is on Medicaid and does not have his own car insurance.**

**You cannot opt out. You must buy PIP Medical.**

**Every relative in my household has qualified health coverage or their own car insurance**

**I'm eligible to opt out.**

**How much savings do I get?**

**You will pay no PIP and no MCCA.**

**Your total car insurance bill will probably drop 30-50%.**

# Remember our Ford Focus bill?

## Opt out would cut the bill 54%

Coverages	2015 Ford Focus 4d	
	Limits of Liability	Premium
Bodily Injury Liability:	\$100,000 Each Person / \$300,000 Each Accident	\$125.04
Property Damage Liability:	\$100,000 Each Accident Includes MI Limited Property Damage Liability	\$14.27
Property Protection:	Included	\$14.52
Personal Injury Protection:	<del>\$300 Deductible</del> Medical Benefits: Coordinated Work Loss Benefits: Primary Survivors' Loss Benefits	<del>\$1,149.02</del>
Uninsured Motorists:	\$100,000 Each Person / \$300,000 Each Accident	\$19.80
Underinsured Motorists:	\$100,000 Each Person / \$300,000 Each Accident	\$16.71
Comprehensive:	\$500 Deductible	\$191.66
Collision:	Basic: \$500 Deductible	\$590.76
Enhanced Exterior Repair Option:		Not Included
Car Rental:	\$50 Per Day / \$1,500 Maximum	\$78.27
Loan/Lease Gap:		Not Included
Extra Equipment:		Not Included
Broadened Other Car:		Not Included
<b>Premium Sub-Total</b>		<b>\$2,200.05</b>
Assessments:	MCCA:	\$110.00
	OTHER STATUTORY ASSESSMENTS:	\$20.75
<b>Total Vehicle Premium and Assessments</b>		<del><b>\$2,330.80</b></del>

**\$1,054**

**Total 6 Mo. Cost: ~~\$2,331~~ \$1,054**

<b>Collision</b>	<b>\$ 591</b>	<b>26%</b>
<b>Comp. (Theft)</b>	<b>\$ 192</b>	<b>9%</b>
<b>Passengers/Other</b>	<b>\$ 257</b>	<b>11%</b>
<del><b>PIP/Medical</b></del>	<del><b>\$1,149</b></del>	<del><b>49%</b></del>
<del><b>MCCA/Medical</b></del>	<del><b>\$ 110</b></del>	<del><b>5%</b></del>

## The question for Michigan Drivers:

Do you want car insurance rates similar to other states in exchange for medical coverage similar to other states?

### Average Cost to Insure a Car

<b>Detroit</b>	<b>\$4400</b>
<b>Michigan</b>	<b>\$2878</b>
<b>Illinois</b>	<b>\$1434</b>
<b>Indiana</b>	<b>\$1213</b>
<b>Wisconsin</b>	<b>\$1049</b>
<b>Ohio</b>	<b>\$1034</b>

**On July 2<sup>nd</sup> there are more improvements.  
Insurance Companies can no longer use these  
non-driving factors in setting your rates:**

**Gender**

**Marital Status**

**Home Ownership**

**Educational Level**

**Occupation**

**Credit Score**

**What if you can't opt out?**

**What if you don't want to opt out?**

**Option 3: You don't have to buy unlimited PIP.  
You now may choice to buy less coverage.**

**July 2<sup>nd</sup>, you have two choices  
you never had before:**

**1) \$500,000 No Fault Coverage**

**2) \$250,000 No Fault Coverage**

# States with highest requirements for No Fault PIP Coverage

<b>Michigan</b>	<b>UNLIMITED</b>
<b>Michigan</b>	<b>\$500,000</b>
<b>Michigan</b>	<b>\$250,000</b>
<b>New York</b>	<b>\$ 50,000</b>
<b>North Dakota</b>	<b>\$ 30,000</b>
<b>Minnesota</b>	<b>\$ 40,000</b>
<b>New Jersey</b>	<b>\$ 15,000</b>
<b>Florida</b>	<b>\$ 10,000</b>
<b>Hawaii</b>	<b>\$ 10,000</b>
<b>Kentucky</b>	<b>\$ 10,000</b>
<b>Massachusetts</b>	<b>\$ 8,000</b>
<b>Pennsylvania</b>	<b>\$ 5,000</b>
<b>Kansas</b>	<b>\$ 4,500</b>
<b>Utah</b>	<b>\$ 3,000</b>

**Buying the \$500,000 or \$250,000 PIP option will likely be some savings, maybe \$300-500.**

**It won't be greater savings, because doctors and hospitals can still charge whatever they want.**

	<u>Medicare</u>	<u>Commercial Insurance</u>	<u>No Fault</u>
1 Hr. Phys Therapy	\$ 31	\$ 42	\$ 79
CT Scan	\$262	\$419	\$1,821
MRI	\$484	\$770	\$3,259

**In a year – on July 1, 2021 – there will be more savings  
The fees you're charged will be cut to 230% of Medicare**

	<u>Medicare</u>	<u>Commercial Insurance</u>	<u>No Fault</u>	<u>July 2021 Fees</u>
<b>1 Hr. PT</b>	<b>\$ 31</b>	<b>\$ 42</b>	<b>\$ 79</b>	<b>\$ 71</b>
<b>CT Scan</b>	<b>\$262</b>	<b>\$419</b>	<b>\$1,821</b>	<b>\$ 603</b>
<b>MRI</b>	<b>\$484</b>	<b>\$770</b>	<b>\$3,259</b>	<b>\$1,113</b>

# **What if you are on Medicaid?**

**This is biggest oversight in new No Fault law.**

**You cannot opt out of buying PIP coverage. State law says Medicaid is not “qualified health coverage”**

**Medicaid recipients can buy a cheaper PIP Plan – one that covers you for \$50,000.**

**It may save you \$500-600 a year.**

# **To the 8,000 Detroit Employees: Here's What the City of Detroit is Doing**

**Every employee has been sent a letter detailing your city health care and telling you how to opt out if you want.**

**In addition, the details are available on the City website at [detroitmi.gov](http://detroitmi.gov).**

# Thank you to the 7 Detroit State Representatives who voted to pass House Bill 4397



**State Rep. Wendell Byrd**



**State Rep. Leslie Love**



**State Rep. Joe Tate**



**State Rep. Karen Whitsett**



**State Rep. Tenisha Yancey**



**State Rep. Tyrone Carter**



**State Rep. Latonya Garrett**

# And thanks to all 5 Detroit State Senators who fought for the No Fault Reform Bill !



**Sen. Sylvia  
Santana**



**Sen. Adam  
Hollier**



**Sen. Marshall  
Bullock**



**Sen. Stephanie  
Chang**



**Sen. Betty Jean  
Alexander**

# **What Can You Do?**

**Shop around. Compare rates. They will vary greatly.**

**Talk to different agents.**

**And when you find a good agent or good company, share their contacts with your friends, on Nextdoor or on social media.**

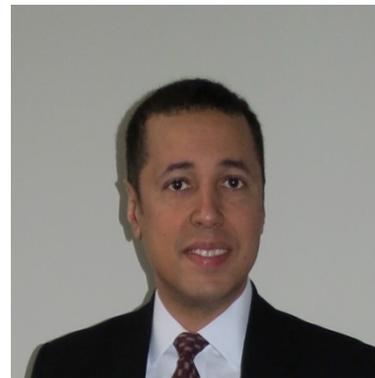
# Questions for our panel



**Mark Bernstein,  
Bernstein Law Firm**



**Shereen Silver  
Bernstein Law Firm**



**Leroy Mattic  
AAA**

# Send us your auto insurance questions!

- **By TEXT: 313-710-9175**
- **On the web:**

<https://detroitmi.gov/autoinsurancequestions>