

Consumer Counselor

Insurance Information for Michigan Consumers

Personal Injury Protection (PIP) Deductibles and Coordination of PIP Coverage Deductibles

If you are injured in an auto accident, the personal injury protection (PIP) portion of your no-fault auto insurance policy will pay for all reasonably necessary medical expenses with no maximum limit. It will also pay for up to three years of wages you would have earned if you had not been hurt, up to a specified maximum amount. This amount can be found on our web site: www.michigan.gov/difs

You should be aware that your auto insurance company may impose a deductible on any claim you submit for PIP benefits following an auto accident. This means that you will be responsible for paying for any expenses, up to this deductible limit, before the auto insurance company will pay for any of your injuries. For this reason, it is important for you to know whether your auto policy requires a deductible as well as the deductible amount. If this information isn't listed in your policy declaration page, ask your agent or insurance company to confirm whether there is a deductible; and, if so, ask for the deductible amount.

You may coordinate the PIP coverage on your auto insurance policy with a health or disability income policy to reduce your PIP premium. Coordination of health/disability income policies and auto insurance benefits applies only to the policyholder and family members covered under the policies. Because your auto insurer pays less in claims, your auto insurance cost is less.

If you have an auto accident and have chosen to coordinate your health and/or disability income benefits with your PIP coverage, your health insurance or disability income policy becomes the primary payer for any medical expenses or wage loss. Your auto policy would then cover any

remaining eligible medical expenses or wage loss not covered by your health or disability income policy. This coverage may be referred to as excess medical and excess wage loss on your auto insurance policy declaration page. However, before you agree to coordinate your health/disability income and auto insurance policies, you must first verify that your health and/or disability income insurance policy will provide benefits for injuries related to a car accident. Some health insurance companies restrict coverage for injuries related to auto accidents if the injured person is also covered by an auto insurance policy.

You may not coordinate if your health insurance is provided by a Medicaid, Medicare, Medicare Supplemental or Medicare Advantage policy, as these types of policies are always secondary and will only pay after all other coverages have been exhausted.

It's important for you to be aware that your auto insurance company may also charge an additional deductible if you agreed to coordinate your PIP coverage and then discover when you file a claim that your health policy does not cover injuries resulting from an auto accident. Again, refer to your policy contract or ask your agent about this "penalty" deductible before you agree to coordinate your health and auto insurance policies.

If you have additional questions about this issue, please feel free to contact our office at the address or telephone number listed below.

