

**STATE OF MICHIGAN  
DEPARTMENT OF INSURANCE AND FINANCIAL SERVICES**

**Bulletin 2020-31-INS**

**In the matter of:**

Consumer Requests for No-Fault Policy Changes  
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**Issued and entered  
this 8<sup>th</sup> day of July 2020  
by Anita G. Fox  
Director**

On June 11, 2019, Governor Whitmer signed historic bipartisan auto no-fault legislation to lower costs for Michigan drivers, maintain the highest coverage options in the country, and strengthen consumer protections. These changes apply to policies issued or renewed after July 1, 2020.

Michigan drivers who want to make choices should not have to wait until their policy renews to do so. While many insurers are offering their customers the option to endorse (i.e., amend) their policy in the middle of a policy term (a mid-term endorsement), it has come to the Director's attention that other insurers are telling their customers that they have to wait until their policy renewal date to take advantage of the flexibility afforded by the new law.

This bulletin informs auto insurers that they must offer all of their customers one of the following: 1) mid-term endorsements or 2) the option to cancel and reissue their policy under the new law.

If an insurer does not offer mid-term endorsements, it must offer insureds the option to cancel and reissue. These insurers are reminded that MCL 500.3020(1) requires a policy of casualty insurance—including "all classes of motor vehicle coverage"—to include a provision stating that the policy may be canceled at any time at the request of the insured, in which case the insurer shall refund the excess of paid premium or assessment above the pro rata rates for the expired time. Accordingly, auto insurers must honor a request from their insureds to cancel their coverage and must refund the excess of paid premium in accordance with MCL 500.3020. Additionally, insurers must reissue policies to those customers who are eligible persons; those policies must include all of the changes that were effective after July 1, 2020, including but not limited to the new bodily injury limit options, PIP medical coverage limit options, attendant care riders, new mini-tort limit, and all rates, including the new MCCA assessment. Finally, insurers must use their approved bodily injury and PIP selection forms in the same manner as if the policy were being issued or renewed after July 2, 2020.

Insurers and producers must inform all customers who request that their policies be cancelled and reissued that the insurers are entitled to review representations made on the application, and that any changes in these representations, including but not limited to the number of drivers in a household, eligibility for certain discounts, and accident history, may result in increases or decreases in a customer's premium. In addition, producers must inform customers that if they no longer meet the insurer's eligibility criteria, they may opt to keep their existing policy until it renews at its scheduled renewal date.

All Michigan drivers are encouraged to shop around for the rates and coverages that are right for them and their budgets.

Insurers that refuse to accommodate their insureds' requests for either a mid-term endorsement or to cancel and reissue a policy will be subject to appropriate administrative action.

Any questions regarding this Bulletin should be directed to:

Department of Insurance and Financial Services  
Office of Consumer Services  
530 W. Allegan Street – 7<sup>th</sup> Floor  
P.O. Box 30220  
Lansing, Michigan 48909-7720  
Toll-Free: (877) 999-6442  
[DIFS-Autoinsurance@michigan.gov](mailto:DIFS-Autoinsurance@michigan.gov)

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Anita G. Fox  
Director