

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

Bulletin 2020-29-INS

In the matter of:

Insurance Licensee Obligations in
Advising Consumers Under the No-Fault Law

**Issued and entered
this 2nd day of July 2020
by Anita G. Fox
Director**

Public Acts 21 and 22 of 2019 made significant changes to Michigan's no-fault insurance law. Under the new law, Michigan drivers will have more choices to make, including what level of PIP medical coverage and bodily injury liability coverage to purchase. These choices may have serious implications for drivers, and it is vital that all consumers are presented with and understand the choices under the new law.

Often, a consumer's first point of contact for insurance questions is a licensed insurance agent (producer), solicitor, or counselor (collectively, "licensees"). Because the new law presents consumers with a variety of choices that they have never before faced, licensees must be prepared to explain these choices clearly and thoroughly, and must allow consumers to make selections that are right for them, their families, and their budget.

Producers are reminded of their obligations under MCL 500.2116, including, among other things, the obligation to provide eligible persons with quotations for all forms or types of insurance coverage offered by the insurers the producer represents. Producers are prohibited from attempting to channel an eligible person away from an insurer or insurance coverage with the purpose or effect of avoiding a producer's obligation to submit an application or an insurer's obligation to accept an eligible person. A producer who fails to present and explain a person's insurance choices, especially when the person has asked for clarification, will be considered to be attempting to channel that person away from coverage. By way of example, producers who tell customers that they only place unlimited or the lowest level of personal injury protection (PIP) insurance, or who insist that all policyholders need an umbrella policy, are not acting in a manner consistent with the purpose of PA 21 and 22: to provide choices to consumers based on their individual insurance needs and budget.

Finally, all licensees are reminded that they are subject to the Unfair Trade Practices Act, MCL 500.2001 through MCL 500.2093, and that any misrepresentations or deceptive practices in assisting consumers with their no-fault coverage will lead to administrative action.

Any questions regarding this Bulletin should be directed to:

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/s/

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