

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

Bulletin 2021-25-INS

In the matter of:

**PIP Medical Benefits:
Selection of \$250,000 Option with Exclusions**

**Issued and entered
this 14th day of May 2021
by Anita G. Fox
Director**

This bulletin clarifies what constitutes an “effective selection” under MCL 500.3107c(1) and what occurs when an individual fails to provide proof of qualified health coverage (QHC)¹ in connection with an exclusion under MCL 500.3109a(2), both at the time of an initial application for insurance and at each renewal.

Public Acts 21 and 22 of 2019 allow individuals who have QHC to make certain choices regarding the dollar limit for PIP medical coverage under a no-fault auto policy. Individuals who choose a limit of \$250,000 for PIP medical benefits (as permitted under MCL 500.3107c(1)) are also entitled to exclude PIP medical coverage for any or all eligible household members who have QHC. See MCL 500.3109a(2).

An “effective selection” under MCL 500.3107c(1) is made when an applicant or named insured completes, signs, and returns to an insurer or agent a PIP Medical Coverage Selection Form, whether at the initial application or at renewal. If an applicant or named insured has not made an “effective selection,” the insurer must issue a policy with unlimited PIP benefits pursuant to MCL 500.3107c(4) and MCL 500.3107(1)(d). If an applicant or named insured has made an “effective selection” under MCL 500.3107c(1), but seeks an exclusion under MCL 500.3109a(2) for any or all eligible household members and then fails to provide the requisite proof of QHC for any or all household members to qualify for the exclusion, the insurer must issue a policy with \$250,000 in PIP medical benefits for any or all household members that fail to provide the requisite proof of QHC; and must provide the exclusion to any or all household members that provide proof of QHC.

Accordingly, at the time of an initial application for insurance and at each renewal, if an applicant or named insured attempts to select a limit of \$250,000 for PIP medical benefits but fails to provide the requisite proof of QHC, the insurer must issue or renew the policy at the \$250,000 PIP medical benefit limit without the exclusions unless the applicant or named insured thereafter provides the proof of QHC.

Any questions regarding this bulletin should be directed to:

Department of Insurance and Financial Services

¹ QHC is defined in MCL 500.3107d(7)(b)(i). See also Bulletin 2020-33-INS, issued July 28, 2020.

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/s/

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