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# ***MAKING SMART CHOICES:***

## **A SUMMARY GUIDE TO THE NEW AUTO NO-FAULT LAW ©**

By:  
George T. Sinas • Stephen H. Sinas • Thomas G. Sinas



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By:

**George T. Sinas • Stephen H. Sinas • Thomas G. Sinas**

**SINAS DRAMIS LAW FIRM**

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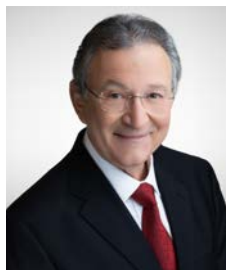
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# About the Authors



**George T. Sinas** – George Sinas has represented seriously injured persons throughout Michigan for over 35 years. He is a past President of the Michigan Association for Justice and a former Chairperson of the State Bar Negligence Law Section. During his career, George has obtained a number of million-dollar-plus judgments and settlements for his clients and received numerous honors for his work in the field of personal injury law. In 2018, George received the “Cline Schreier Award for Excellence” from the State Bar of Michigan, Negligence Law Council as well as the “Thomas E. Brennan Lifetime Achievement Award” from the Ingham County Bar Association. In 2015, he received the “Respected Advocate Award” from the Michigan Defense Trial Counsel. In 2014, he received the “Champion of Justice” award from the Michigan Association for Justice. In 2013, he received the “Michigan Lawyer of the Year” award from Michigan Lawyers Weekly. In 2009 and 2014, BestLawyers named George “Lansing Personal Injury Litigator of the Year.” In 2005, George received the Michigan Brain Injury Association “Legacy Society Professional Service Award” for his work representing the victims of serious brain injury. George has been listed in every edition of the book “The Best Lawyers in America” since 1989 in the field of personal injury law and also named a “Michigan Super Lawyer” every year since 2006 by Super Lawyer Magazine. Since 2017, Michigan Super Lawyers has listed George as one of the “Top 100 Super Lawyers” in Michigan, the only Lansing-area personal injury attorney receiving this recognition. In 2023, Michigan Lawyers Weekly named George the Michigan “Newsmaker of the Year.” George has also authored two textbooks and numerous articles on the subject of motor vehicle injury cases and the Michigan Automobile No-Fault Insurance Law and has served as an Adjunct Professor at the Michigan State University College of Law, teaching a class on the auto no-fault law.



**Stephen H. Sinas** – Stephen Sinas specializes in representing people who have been injured or harmed by the negligence or wrongdoing of another person, company, institution, or governmental entity. He also specializes in litigating against insurance companies that have wrongfully denied coverage or benefits to injured people. He has litigated cases in numerous state and federal trial courts across Michigan and has handled cases at the Michigan Court of Appeals and the Michigan Supreme Court. Stephen is an Adjunct Professor at Michigan State University College of Law, where he teaches the course on Michigan Auto No-Fault Insurance Law. He currently serves as President of the Michigan Brain Injury Provider Council, President of the Ingham County Bar Association, and an Executive Board Member of the Michigan Association for Justice. He is the creator and lead editor of an open-access academic website regarding the Michigan Auto No-Fault Insurance Law, [www.autonofaultlaw.com](http://www.autonofaultlaw.com). Stephen is currently recognized in the *Best Lawyers in America* in the field of Plaintiff’s Personal Injury Law. He is also recognized as a “Super Lawyer” by Super Lawyer Magazine and a “Leading Lawyer” by Leading Lawyer Magazine.



**Thomas G. Sinas** – Tom Sinas is a trial lawyer who has spent his career representing injured individuals and serving the public. Tom earned both a Bachelor of Arts and a Bachelor of Fine Arts from the University of Michigan, graduating with highest honors and high distinction. He obtained his law degree *magna cum laude* from the University of Minnesota Law School. After law school, Tom practiced with a national law firm in Minneapolis, where he represented catastrophically injured individuals and their families. He was then selected to join Minnesota’s premier state prosecution office on a special assignment to prosecute complex financial crimes. Tom has tried to verdict civil and criminal cases in several Midwestern states and has lectured and written extensively about trial practice and substantive law. Tom has been elected to leadership positions in the Brain Injury Association of Michigan, the Grand Rapids Bar Association, the Legal Assistance Center, and the State Bar of Michigan. He is also a Fellow in the International Society of Barristers. In addition, Tom has also received numerous professional accolades, including being recognized as a “Michigan Super Lawyer,” a listing in “Best Lawyers in America,” selection as the “Best Personal Injury Attorney in Grand Rapids” by Grand Rapids Magazine, designation as a “Top 10 Personal Injury Plaintiff’s Lawyer” by Leading Lawyers Magazine, and named a “Go-To Negligence Lawyer” and a “Go-To Power Lawyer” by Michigan Lawyers Weekly. Tom focuses his practice on personal injury, auto negligence, and auto no-fault litigation. Tom, his wife, and their two children live in Grand Rapids’ historic Heritage Hill neighborhood.



# About the Law Firm

The Sinas Dramis Law Firm was started in 1951 in Lansing, Michigan by Thomas G. Sinas, who was joined a short time later by his friend, Lee C. Dramis, to establish the firm that bears their name today. Over the many years since it was founded, the Sinas Dramis Law Firm has primarily focused its practice on the representation of seriously injured patients and their providers throughout the state of Michigan, particularly in cases involving motor vehicle collisions. Their practice in this field of law includes cases involving semitruck collisions, motorcycle accidents, bicycle injuries, pedestrian injuries, and claims for no-fault PIP benefits on behalf of patients and medical providers.

The attorneys at the Sinas Dramis Law Firm have also been very involved in professional leadership activities. In that regard, one of its partners was President of the State Bar of Michigan; three partners were Presidents of the Michigan Association for Justice; two partners were Chairs of the State Bar Negligence Law Section; and two partners were Presidents of the Ingham County Bar Association. The law firm has also been extensively involved in numerous activities designed to educate consumers and professionals about the operation of the Michigan Auto No-Fault Law, including writing, lecturing, teaching, and testifying about that subject in many different forums.

The Sinas Dramis Law Firm has offices in Lansing, Michigan, Grand Rapids, Michigan, Kalamazoo, Michigan, St. Clair Shores, Michigan and Ann Arbor, Michigan.

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## 1. PURPOSE OF THIS GUIDE.

The Michigan Auto No-Fault Law (MCL 500.3101, *et seq*) originally went into effect in October 1973. It was the only law of its kind in the country and was thought by many to be a model system for motor vehicle injury cases. When the law was first adopted, it guaranteed to all motor vehicle accident victims, lifetime, uncapped medical and rehabilitation expense coverage regardless of who was at fault for an accident. In addition, the no-fault law provided that, in most cases, no one could be sued in tort for the medical expenses suffered by another, because those expenses were already covered by the injured person's no-fault insurance. For the most part, the only tort liability at-fault drivers had under the original no-fault law was the payment of "*non-economic damages*" suffered by seriously injured victims.

In May 2019, major changes to the Michigan Auto No-Fault Law were adopted by the Michigan Legislature, many of which went into effect in June 2019 (PA 21 2019). The most significant changes, however, go into effect in July 2020, and those changes will significantly impact virtually all Michigan consumers.

Under the new law, people no longer have *guaranteed* lifetime coverage for medical and rehabilitation expenses, unless they specifically purchase that coverage. Moreover, all drivers will face increased liability in certain situations for the medical expenses they caused others to incur. Therefore, in order to protect against the decreased coverage for a victim's medical expenses and the increased tort liability exposure for the medical expenses of others, beginning in July 2020, every Michigan motorist will be required to make critically important choices about how best to protect themselves and their families. Therefore, in an effort to educate Michigan consumers about these new laws, the *Sinas Dramis Law Firm* has prepared this summary in the hope that it will provide Michigan citizens with useful information that will enable them to **MAKE SMART CHOICES**.

## 2. BASIC CONCEPT OF THE MICHIGAN NO-FAULT LAW.

The Michigan no-fault law creates an insurance system that legally obligates the owners or registrants of all motor vehicles required to be registered in Michigan to purchase auto no-fault insurance. Failure to purchase this required insurance subjects the owner or registrant of the motor vehicle to criminal prosecution and the loss of certain rights and insurance benefits. The basic idea of Michigan's no-fault system is to guarantee payment of a certain level of benefits to all accident victims, regardless of fault. However, in order to fund such a system, the Michigan no-fault law imposes certain limitations on the rights of injured accident victims to bring tort liability claims against the at-fault drivers. It is this basic tradeoff that forms the essence of the Michigan auto no-fault system.



In virtually every motor vehicle accident occurring in Michigan resulting in bodily injury, there are potentially two separate and distinct claims. The first claim is a claim for *no-fault personal protection insurance (PIP) benefits* that the injured victim is entitled to receive without regard to fault. There are essentially four (4) different types of PIP benefits under the Michigan law:

- (1) the allowable expense benefit;
- (2) the work loss benefit;
- (3) the replacement service expense benefit; and
- (4) the survivors' loss death benefit.

The second major claim that can be brought under the Michigan no-fault law is a *tort liability claim against the at-fault driver* to recover two distinct types of damages:

- (1) *non-economic damages* (i.e., pain and suffering, loss of function, loss of social pleasure and enjoyment, etc.); and
- (2) *excess economic loss damages* (i.e., certain out-of-pocket expenses and work loss that are not compensable to the victim with no-fault PIP benefits).

In order to pursue tort claims for non-economic damages, the injured person must have sustained a "*threshold injury*," which the law defines as "*serious impairment of body function, permanent serious disfigurement, or death*."

The original Michigan no-fault law was a lifesaver for victims who sustained catastrophic injury. Those victims were guaranteed lifetime, uncapped coverage for all "*reasonably necessary*" charges for the person's care, recovery, or rehabilitation. Moreover, because those lifetime benefits were payable without regard to fault, the at-fault driver could not be sued for such claims because those expenses were covered by the victim's no-fault insurance. As a result, all law-abiding Michigan citizens were guaranteed full lifetime medical coverage for their injuries, as well as full protection from virtually any liability for medical expenses incurred by others. However, the 2019 law fundamentally changed those basic concepts.

### **3. BASIC EXPLANATION OF PIP BENEFIT COVERAGES AND WHICH INSURER PAYS.**

Assuming that the victim is otherwise legally qualified to receive auto no-fault insurance coverage under the entitlement provisions of the Michigan Auto No-Fault

Act (see §3105 and §3113), the law provides for the payment of four (4) specific types of no-fault PIP benefits, which are briefly summarized below:

**A. PIP BENEFIT #1: THE ALLOWABLE EXPENSE BENEFIT.**

The no-fault law requires insurance companies to pay allowable expenses that are defined as “*all reasonable charges incurred for reasonably necessary products, services, and accommodations for an injured person’s care, recovery, or rehabilitation.*” See §3107(1)(a). These benefits are very broad and include a number of important things, including traditional hospital and medical expenses; in-home attendant care; barrier-free residential accommodations; special transportation medical mileage; guardianship and conservatorship expenses; physical and vocational rehabilitation; expenses for an independent case manager; etc.

The 2019 legislation makes a dramatic change in the allowable expense benefit by providing that this benefit is no longer a lifetime, uncapped benefit, unless the consumer specifically purchases that type of full coverage. The new legislation also allows consumers to purchase allowable expense benefit coverage at *lower limits* and, in some cases, to fully opt-out of no-fault PIP allowable expense coverage.

It should be noted that the legislation also sets forth rules known as “*utilization review*” that will apply to all no-fault policies and could impact how these allowable expense benefit claims are handled by insurance companies. Furthermore, under the legislation beginning on July 1, 2021, providers will be reimbursed based upon a reduced fee schedule and will be subject to certain accreditation rules. Moreover, as of July 1, 2021, payment for attendant care rendered by family and friends will be limited to 56 hours per week.

**B. PIP BENEFIT #2: WORK LOSS BENEFITS.**

Under the original no-fault law, and continuing under the 2019 legislation, persons who are injured in a motor vehicle accident and cannot work as a result of the injury, are entitled to work loss benefits which are payable for up to three years for “*loss of income from work an injured person would have performed . . . if he or she had not been injured.*” See §3107(1)(b). These work loss benefits are payable at the rate of 85% of gross pay. However, the work loss benefit cannot exceed the applicable monthly maximum that is adjusted every October to keep pace with the cost of living. These benefits terminate on the third anniversary date of the accident.

**C. PIP BENEFIT #3: REPLACEMENT SERVICE EXPENSES.**

Under the original no-fault law, and continuing under the 2019 legislation, an injured person may also receive reimbursement in an amount not to exceed



\$20 per day for replacement service expenses incurred in having others perform reasonably necessary services that the injured person would have performed for the benefit of self or family. See §3107(1)(c). These replacement service expenses primarily consist of domestic-type services, such as housekeeping, lawn work, snow removal, etc.

**D. PIP BENEFIT #4: SURVIVORS' LOSS BENEFITS.**

Under the original no-fault law, and continuing under the 2019 legislation, when a motor vehicle accident results in death, dependents of the decedent are entitled to recover certain "*survivors' loss benefits*." Limited benefits are also paid for funeral and burial expenses. Survivors' loss benefits are payable for three years and are subject to the same monthly maximum benefit ceiling applicable to work loss benefits. Survivors' loss benefits essentially consist of a loss of the after-tax income earned by the decedent, the value of lost fringe benefits as a result of the decedent's death, and replacement service expenses. See §3108.

**E. THE INSURANCE COMPANY THAT MUST PAY PIP BENEFITS.**

- (1) **The General Rule.** The 2019 legislation makes important changes in the "*order of payment priority rules*" that control what insurance company has the legal responsibility to pay no-fault PIP benefits to a victim. The general rule that existed under the original law, and that has been continued under the new law, provides that a victim must first turn to the victim's own auto no-fault insurance (the policy under which they are a named insured), or the no-fault insurance policy of a resident-relative of the victim. See §3114(1).
- (2) **New Rules for Victims Without Coverage.** The 2019 legislation made a significant change in those order of payment priority rules regarding victims who did not have their own no-fault insurance coverage. Under the original law, such victims could turn to either the no-fault insurer of the vehicle they were occupying at the time of the accident or, if the victim was injured as a pedestrian or bicyclist, the victim could turn to the no-fault insurer of the striking vehicle. However, under the new law, victims without their own no-fault policy must now receive their benefits from the *Michigan Assigned Claims Plan (ACP)*. See §3114(4). Unfortunately, however, under the new law, allowable expense benefits payable by the ACP are subject to a *lifetime cap of \$250,000*. This is a major reduction in coverage for those Michigan citizens who do not have their own no-fault policy and do not reside in a household where there is no-fault insurance.
- (3) **Motorcyclists.** People who are injured operating or occupying a motorcycle continue to be able to receive no-fault PIP benefits if they

are injured in an accident involving *a motor vehicle* (e.g., a car, truck, etc.). The 2019 law continues the old rule that motorcyclists will, in most cases, receive their no-fault PIP benefits from the insurer of the motor vehicle *involved in the accident*. However, the PIP benefit coverage available to such motorcyclists will depend entirely on the amount of coverage that was purchased from the insurer of the involved motor vehicle. If the involved motor vehicle has no insurance, then the motorcyclist will recover PIP benefits from the motorcyclist's auto no-fault insurer, or from the ACP, subject to the \$250,000 lifetime cap. See §3114(5) and (6).

#### **4. CONSUMER CHOICES UNDER THE NEW LAW REGARDING PIP BENEFIT COVERAGES.**

Under the 2019 legislation, every motorist must now make a decision about the level of PIP allowable expense coverage they want to purchase. See §3107c. No longer does every policy automatically provide lifetime, uncapped coverage. Now, consumers must make a selection from one of the options listed below. Forms created by the *Michigan Department of Insurance and Financial Services (DIFS)* will be made available to consumers to assist in making choices.

##### **A. OPTION #1: LIFETIME, UNCAPPED PIP ALLOWABLE EXPENSE COVERAGE.**

Under the 2019 law, consumers can elect to purchase lifetime, uncapped PIP allowable expense coverage that has been automatically available to them under the original no-fault law (*DIFS Option #1*).

##### **B. OPTION #2: THE \$500,000 BENEFIT LEVEL.**

Under the 2019 law, consumers can elect to purchase \$500,000 of lifetime PIP allowable expense coverage. This option is available to any person without limitation (*DIFS Option #2*).

##### **C. OPTION #3: THE \$250,000 BENEFIT LEVEL.**

Under the 2019 law, consumers can elect to purchase \$250,000 of lifetime PIP allowable expense coverage. This option is available to any person without limitation (*DIFS Option #3*).

##### **D. OPTION #4: THE \$50,000 MEDICAID BENEFIT LEVEL.**

Under the 2019 law, a limited group of consumers will have a \$50,000 allowable expense benefit option that will be available only when: (1) the named insured is covered under Medicaid, and (2) the spouse and

resident-relatives of the named insured are also covered under Medicaid, or have other “*qualified health insurance*,” or have auto PIP coverage through a different policy. This level of choice applies to the named insured, that person’s spouse, or any resident relative (*DIFS Option #5*).

**E. OPTION #5: THE \$250,000 OPT-OUT PIP EXCLUSION.**

Under the 2019 law, some consumers who have other health and accident insurance coverage available to them may be able to completely opt-out of any PIP allowable expense benefit coverage, subject to the following conditions: (1) the named insured, his/her spouse, and all resident-relatives who desire such an opt-out must have other health and accident coverage that extends to auto-related injuries, and (2) the policy must provide for the payment of \$250,000 of lifetime PIP benefits for all resident-relatives of the named insured *who do not have other qualifying health and accident coverage* (*DIFS Option #4*).

The significance of this opt-out option is that any person who selects this option is not eligible for any PIP allowable expense benefit coverage for medical and rehabilitation expenses if those opt-outers are injured while occupying a motor vehicle. However, if such opt-outers are injured as non-occupants of a motor vehicle, they may be entitled to limited allowable expense benefits from the Assigned Claims Plan (ACP). Moreover, anybody purchasing the \$250,000 opt-out exclusion and who subsequently experiences a lapse in his/her applicable health or accident coverage, has only 30 days following the lapse to select another level of PIP coverage. Failure to act within that 30-day period will result in no PIP coverage whatsoever, until PIP coverage is later selected and purchased. Moreover, if the lapse in other health and accident coverage occurs *after a person has been injured*, there is a real question as to whether that person will be entitled to *any* no-fault PIP allowable expense coverage.

**F. OPTION #6: THE MEDICARE OPT-OUT PIP EXCLUSION.**

The 2019 law allows a complete opt-out from all no-fault allowable expense benefits for those persons who are covered under both Parts A and B of Medicare, as well as the spouses and any resident-relatives of those persons who have Medicare coverage, other “*qualified health coverage*,” or other no-fault PIP coverage under a separate policy. As is the case with the \$250,000 opt-outer, Medicare opt-outers will have no allowable expense benefit coverage if they are injured while occupying a motor vehicle. Rather, they must rely solely on the limited reimbursement provisions of the Medicare laws or other applicable qualified health coverages in the household. However, if such opt-outers are injured as non-occupants of a motor vehicle, they may be entitled to limited allowable expense benefits from the Assigned Claims Plan (ACP) (*DIFS Option #6*).

## **G. THE DECISION TO COORDINATE OR UNCOORDINATE NO-FAULT PIP COVERAGE.**

In addition to the options referenced above, consumers will also need to make a certain decision that they have always been required to make under the old no-fault law. This decision deals with whether the consumer wishes to buy a no-fault policy that is *coordinated* with applicable health and/or disability insurance or *uncoordinated* with respect to any applicable health and/or disability insurance. See §3109a. If a coordinated policy is purchased, the no-fault insurance company will only be required to pay benefits that are not paid by health or disability insurance. However, if the consumer purchases an uncoordinated no-fault policy, then the no-fault insurance company will be required to pay benefits in *the primary pay position*, regardless of whether health or disability insurance might also pay benefits for an auto accident injury. Typically, coordinated no-fault policies are sold at a reduced premium because they significantly limit the auto insurance company's potential exposure. However, the premium reduction may not be worth the disadvantages of purchasing a coordinated no-fault policy. One such disadvantage may be that, under the new no-fault law, certain health insurers who pay benefits on behalf of accident victims may be entitled to seek reimbursement from the victim's liability settlement. The issue of whether to coordinate or not coordinate no-fault coverages under the new law is a complicated question that requires careful thought.

## **H. MANAGED CARE OPTION**

The new 2019 no-fault legislation allows insurance companies to begin selling "*managed care*" no-fault policies beginning in July 2020. The specific details of these policies remain to be seen. But, generally speaking, a victim would be limited to a network of insurance company medical providers and be forced to abide by new rules and decisions promulgated by the insurance industry.

## **5. CONSEQUENCES WHEN VICTIMS INCUR MEDICAL EXPENSES EXCEEDING THEIR PIP BENEFIT COVERAGES.**

It is a virtual certainty under the new law that many people who purchase one of the limited PIP benefit coverage options will sustain severe injury in a motor vehicle accident resulting in medical and rehabilitation expenses that exceed their chosen coverage. The question then becomes what happens to those unfortunate victims? An equally important and related question is: what happens to the at-fault driver who causes those victims to incur these excess medical expenses? Unfortunately, the answer to both of these questions under the new 2019 law will be brutally harsh.

## **A. CONSEQUENCES FOR THE VICTIM.**

The victim who incurs medical and rehabilitation expenses in excess of the victim's PIP coverage has the following options: (1) sue the at-fault driver (if there is one) for the excess medical expenses, which option will, for all practical purposes, depend upon the amount of the at-fault driver's liability insurance; (2) pay the excess medical expenses out of the victim's personal financial assets; (3) go bankrupt; and/or (4) attempt to qualify for medical coverage through some kind of government program such as Medicaid.

## **B. CONSEQUENCES FOR THE AT-FAULT DRIVER.**

At-fault drivers who cause victims to incur medical expenses in excess of the victim's no-fault PIP coverage will be personally financially liable for all of those excess medical expenses. This liability did not exist under the original no-fault law because all victims had full coverage for their medical expenses. Under the new 2019 law, the only way drivers can protect against this new tort liability is by purchasing as much liability insurance coverage as they can afford.

# **6. CONSUMER CHOICES UNDER THE NEW LAW REGARDING LIABILITY INSURANCE COVERAGES.**

Under the 2019 law, all motorists must now purchase an increased amount of liability insurance coverage. Under the original law, motorists were only required to purchase liability insurance coverage in the amount of \$20,000 per person/\$40,000 per occurrence. Under the 2019 law, every person who purchases no-fault insurance, must now carry liability insurance in the minimum limits of \$250,000 per person/\$500,000 per occurrence. The only exception is if the insured elects to opt-out of this default minimum requirement, and purchase liability insurance coverage in amounts at least equal to \$50,000 per person/\$100,000 per occurrence. See MCL 500.3009.

In deciding what amount of liability insurance coverage to purchase, it is imperative to keep in mind that every single motorist now has a significantly higher risk of being held liable for a victim's unreimbursed medical expenses. Therefore, consumers must decide how much liability insurance coverage they can afford and also whether they want to supplement that liability coverage with optional "*umbrella coverage*." Umbrella insurance is a special form of liability coverage that will operate to provide additional liability protection beyond the person's auto liability insurance policy.

## **7. THE SMART CHOICES FOR ALL CONSUMERS UNDER THE NEW LAW.**

The choices many people will make in response to the new law will be dictated by the harsh economic reality of cost. People can only buy what they can afford. However, buying less than what can be afforded will only invite disaster if the policyholder suffers catastrophic injury that exceeds the selected PIP coverage levels or causes another person to suffer such an injury. Therefore, we strongly urge consumers to purchase the following coverages:

### **A. PURCHASE LIFETIME, UNCAPPED PIP ALLOWABLE EXPENSE BENEFIT COVERAGE.**

We strongly urge people to pay a little extra on their premium and continue their current lifetime, uncapped allowable expense benefit coverage.

### **B. PURCHASE VERY HIGH LIABILITY INSURANCE LIMITS.**

In light of fact that all of us now have increased liability for a victim's catastrophic medical expense, we urge consumers to purchase as much auto liability insurance coverage as possible. We suggest a minimum of \$500,000 of auto liability coverage, plus an optional umbrella policy that will provide additional liability coverage beyond that amount.

### **C. PURCHASE SIGNIFICANT UNINSURED AND UNDERINSURED MOTORIST COVERAGES.**

We strongly urge all consumers to purchase *uninsured and underinsured motorist coverage* in order to provide additional protection for themselves and their family if they become the victim of serious injury caused by the fault of another driver who has no insurance or inadequate insurance.

If the at-fault driver is completely uninsured, and the victim has purchased uninsured motorist coverage, that coverage will stand in the shoes of the at-fault driver and provide compensation to the victim, up to the policy limits purchased, in the same way that would have been the case had the at-fault driver had insurance.

If the at-fault driver has liability insurance coverage, but not in an amount to fully compensate the victim for the damages suffered, and the victim has purchased underinsured motorist coverage, that coverage will provide additional benefits, up to the policy limits purchased, for those types of damages that the victim could have recovered from the at-fault driver, had that driver been more fully insured. This underinsured motorist coverage is

critically important today, given the low liability insurance limits that are purchased by many motorists.

**D. AVOID STEP-DOWN POLICIES.**

A few insurance companies in Michigan insert clauses in their insurance policies which provide “*step-down coverage*.” These policies should be avoided at all costs. These policies state that if the claimant is a relative of the insured person’s household, that claimant can recover only limited liability damages under the policy, which, in many situations, are far less than what total strangers would be entitled to recover under that same policy. Simply put, step-down clauses discriminate against family members of the insured person. For further information about these ill-advised step-down policies, feel free to contact our law firm.

**E. AVOID MANAGED CARE OPTIONS.**

Due to the current uncertainty as to the details of managed care option policies and the probable limitations on the rights of patients to choose their medical providers, we recommend that consumers not purchase any managed care option.

**F. PROTECT YOURSELF IF YOU ARE SERIOUSLY INJURED IN A MOTOR VEHICLE ACCIDENT.**

As of July 2020, accidents resulting in serious injury will become much more complicated than they ever were under the original law. If a victim has purchased limited coverage that is not enough to pay for the victim’s medical expenses, then the victim must seriously consider promptly pursuing a tort liability claim against the at-fault driver to recoup some of the excess loss. Such liability claims will typically involve an analysis of “*fault allocation*,” which means that the victim will only be able to recover that portion of the victim’s excess medical expenses that corresponds to the percentage of fault allocated to the other driver. These fault allocation issues can be complicated and will frequently require the attention of an experienced attorney. In addition, there will be disputed liability situations where *both drivers* incur excess medical expenses and are making a claim against one another for those uncompensated losses. These situations create complexities beyond the scope of this summary. Suffice it to say, however, that the new law will usher in an era of complicated questions that will require all victims to proceed with great caution and with a full understanding of their legal rights. *One thing is clear: if there is any uncertainty, don’t go it alone.*



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## Helpful Resources – CPAN



CPAN (*Coalition Protecting Auto No-Fault*) was formed in 2003 by numerous professional associations who shared a strongly held belief that it was in the public interest to preserve Michigan's model no-fault auto insurance system and to make sure the Michigan auto insurance industry kept the original promise made to Michigan citizens when the No-Fault Act was passed in 1972.

CPAN has provided an effective counterbalance to the auto insurance industry--an industry that almost always gets its way in Michigan. CPAN has earned the reputation of being the trusted voice in matters regarding Michigan's Auto No-Fault Law. For over 20 years, it has fought to protect the rights and benefits of auto accident victims and all Michigan consumers.

### Board of Directors

CPAN is governed by a state wide board of directors whose members are from the following associations and organizations.

AFSCME  
Ambrose Rehab Consultants  
Area Agencies on Aging Association of Michigan  
Brain Injury Association of Michigan  
Eisenhower Center  
Health Partners, Inc.  
Hope Network Neurorehabilitation  
Michigan Association for Justice  
Michigan Association of Chiropractors  
Michigan Brain Injury Provider Council  
Michigan Dental Association

Michigan Orthotics & Prosthetic Association  
Michigan Osteopathic Association  
Michigan Paralyzed Veterans of America  
Michigan Physical Therapy Association  
Michigan State Medical Society  
Origami Brain Injury Rehabilitation  
PharmaScript  
Siporin & Associates  
Special Tree  
Spectrum Health  
The Recovery Project

Kevin A. McKinney  
Legislative Consultant

Martha Levandowski  
Administrative Director

George T. Sinas  
General Counsel

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**Martha Levandowski**  
Administrative Director  
(517) 882-1096 | [info@cpan.us](mailto:info@cpan.us)  
216 N. Chestnut St., Lansing, MI 48933

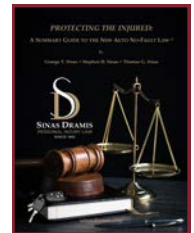
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## Helpful Resources – Sinas Dramis Law Firm



### *1. Protecting the Injured: A Summary Guide to the New Auto No-Fault Law*

For nearly 70 years, the attorneys at the Sinas Dramis Law Firm have fought to protect the rights of injured individuals. This free booklet provides consumers, medical providers, and auto accident victims with useful information about the extensive rights and benefits available under Michigan's new auto no-fault law. These include no-fault PIP benefits, as well as liability claims against at-fault drivers.



### *2. Navigating the Chaos: The New No-Fault Legislation*

This 26-page analysis of the new Michigan No-Fault Law explains the recent changes to the law, and presents a detailed discussion of the various coverage options available to Michigan consumers. Included in the summary is the statutory text and Insurance Bureau Bulletins. To obtain a copy, see the contact information below.



### *3. AutoNoFaultLaw.com*

This informational website about Michigan's unique auto no-fault system is a free and open access resource dedicated to educating the public, attorneys, judges, legislators, medical providers, insurance company representatives, and other interested persons. The website includes the *Michigan Auto No-Fault Law Digital Library*, a compilation of appellate court case summaries provided without charge to further the goal of educating the public about the Michigan Auto No-Fault Law.



Helpful literature explaining various aspects of the No-Fault Law before the 2019 legislative amendments can be obtained from the Sinas Dramis Law Firm through the contact information set forth below. These materials will be helpful to accident victims whose claims are largely unaffected by the 2019 legislative amendments.

**The contact information for Sinas Dramis Law Firm is as follows:**

**Alisha Spencer**

Information Coordinator

**(517) 394-7500 | [alishaspencer@sinasdramis.com](mailto:alishaspencer@sinasdramis.com)**

**3380 Pine Tree Road, Lansing, MI 48911**

# Sinas Dramis Speakers Bureau


Major changes to the Michigan Auto No-Fault Insurance Law will go into effect in July 2020 that will have a great impact on all accident victims and require every motorist to make important choices about the specific type of insurance coverages they wish to purchase. Therefore, in an effort to better educate Michigan consumers about this new auto no-fault law and the choices they will be required to make, the Sinas Dramis Law Firm has announced the formation of the *Sinas Dramis Speakers Bureau*. The Speakers Bureau will operate in this manner: organizations, associations, or businesses who would like to educate their members or employees about these new laws, can contact the *Sinas Dramis Speakers Bureau* and request a presentation by one of the law firm's knowledgeable attorneys. These presentations will be totally without charge and are offered as a public service. The contact information for arranging a presentation by the *Sinas Dramis Speakers Bureau* is as follows:

Alisha Spencer, Coordinator  
*Sinas Dramis Speakers Bureau*  
**Sinas Dramis Law Firm**  
3380 Pine Tree Road  
Lansing, MI 48911-4207  
(517) 394-7500  
[alishaspencer@sinasdramis.com](mailto:alishaspencer@sinasdramis.com)

The Sinas Dramis Law Firm has been a “major player” in the Michigan Auto No-Fault Law for over 40 years and is looking forward to assisting Michigan consumers in dealing with this new law. Clearly, the best way for consumers to protect their legal rights is to know what they are. The Sinas Dramis Law Firm is here to help in that regard.







# The Sinasc Dramis Law Firm

*Advocates for the Injured  
Throughout Michigan*



**SINAS DRAMIS**  
PERSONAL INJURY LAW  
SINCE 1951





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SINCE 1951

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**Kalamazoo**

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Kalamazoo, MI 49001  
(269) 443-8415

**St. Clair Shores**

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St. Clair Shores, MI 48080  
(313) 202-2000

**Ann Arbor**

302 E. Liberty St., Ste. 300  
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(734) 864-4300

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**[michiganbicyclelaw.com](http://michiganbicyclelaw.com)**