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Business & Personal Insurance • Employee Benefits • Risk management

The next phase of the Michigan No-Fault auto insurance reform begin July 1, 2020

One important change that you may notice on your policy documents is related to bodily injury limits. The new law requires insurance companies to automatically increase the Bodily Injury coverage to \$250,000 per person and \$500,000 per accident (if you carry combined single limit liability, it will automatically increase to a limit of \$ 510,000).

Please note that if you are currently insured with a higher limit than the \$250,000/\$500,000, nothing will change on your policy and it will renew with the same coverage you currently have.

You will also have the option to choose a lower limit. However, to do so, you will be required to complete and sign a form with your selection at every renewal. The minimum amount of coverage you can now carry in the state of Michigan has increased to \$50,000 per person and \$100,000 per accident from the current \$20,000 per person and \$40,000 per accident. At this time, Baker-Hopp & Associates is recommending to you, our customer, not to reduce liability limits below your current coverage.

Also, under the new Michigan No-Fault law, a person injured in a car accident can sue for excess medical costs and economic expenses. With this new exposure, purchasing a personal umbrella policy or increasing your current umbrella policy limits is recommended and can become even more significant protection in providing the coverage you need at the time of an accident.

Your renewal policy will include additional information about your choices and required documents. We know these options may be confusing and we encourage you to reach out to us at any time with questions so we can help clarify your options and guide you through the process.