

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

Bulletin 2021-23-INS

In the matter of:

**No-Fault Policy Provisions and Underwriting Rules
Governing PIP Limits Under Multiple Policies**

**Issued and entered
this 5th day of May 2021
by Anita G. Fox
Director**

It has come to the Department's attention that some insurers offering no-fault automobile insurance are improperly limiting their insureds' choice of personal protection insurance (PIP) medical benefit limits by requiring that applicants, named insureds, and other household members who are covered under more than one policy select the same PIP medical benefit limit on each policy.

Under MCL 500.3107c(1), an applicant or named insured is entitled to select a coverage level for PIP medical benefits. MCL 500.3107d and MCL 500.3109a allow an applicant or named insured to "opt out" or "exclude" PIP medical benefits for eligible household members under specific circumstances. When household members choose to purchase separate policies, the PIP medical benefit selection may vary between the named insured, the named insured's spouse, and a relative of either domiciled in the same household. See MCL 500.3107c(1)(a)(ii), MCL 500.3107d(1), MCL 500.3109a(2).¹

If benefits are payable under two or more policies, the benefits are payable only up to an aggregate coverage limit that equals the highest available coverage limit under any one of the policies. See MCL 500.3107c(6). This applies regardless of the selected PIP medical benefit limit.²

Accordingly, these sections of the Code provide an applicant or named insured with the right to choose a PIP medical benefit limit, regardless of whether a spouse or relative domiciled in the same household has chosen the same limit under a separate policy. Policy provisions and underwriting rules that attempt to constrain the ability of an applicant or named insured to select a PIP medical benefit limit will be disapproved. In addition, insurers that are found to be restricting choice in other ways—i.e., via marketing or otherwise—will be subject to appropriate administrative action. However, an insurer may offer named driver exclusions to their policyholders who wish to avoid duplicating benefits.³

Any questions regarding this bulletin should be directed to:

¹ Under MCL 500.3107d(5), the election also applies to any other person who would have had a right to claim PIP medical benefits under the policy but for the election.

² MCL 500.3107c(6) applies to "benefits payable under [MCL 500.3107(1)(a),] which in turn governs all policies providing PIP medical benefits, regardless of their dollar limit.

³ Named driver exclusions must comply with the requirements set forth in Bulletin 2015-19-INS.

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/s/

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