

The Michigan Auto Insurance Law requires all vehicle owners to obtain automobile insurance, ensuring coverage availability for eligible individuals, defined as those who own or register a vehicle in Michigan or hold a valid Michigan driver's license. However, coverage may be denied based on criteria such as a suspended license, a history of insurance fraud, certain felony convictions, or if the vehicle fails to meet safety standards. Traffic violations can lead to eligibility points, and exceeding six points within three years may result in denial of coverage. Policies can be categorized as group or non-group, with group policies often associated with employment or organizational membership. Individuals ineligible for standard insurance may apply through the Michigan Automobile Insurance Placement Facility (MAIPF) or seek high-risk insurance options.

Mandatory no-fault insurance includes Personal Injury Protection (PIP), which covers all necessary medical expenses without a cap, wage loss for up to three years, and benefits for dependents in the event of death. Property Protection Insurance (PPI) covers up to \$1 million for damage to others' property in Michigan, while Residual Liability Insurance provides coverage for bodily injury and property damage, with minimum limits of \$20,000 for individual injuries, \$40,000 for multiple injuries, and \$10,000 for property damage in other states. Optional coverages such as collision and comprehensive insurance are available but not mandated by law. Collision insurance covers repair costs from accidents, typically with a deductible, while comprehensive insurance protects against theft and damages from various incidents. Uninsured and Underinsured Motorists Coverage compensates for injuries caused by drivers lacking sufficient insurance, with typical limits of \$20,000 per person and \$40,000 per accident, excluding vehicle damage. Limited Property Damage or "Mini-Tort" Coverage allows for lawsuits under specific conditions, particularly if the insured is 50% or more at fault and the other driver's damages exceed their insurance coverage, with a potential liability of up to \$1,000. Higher liability limits can be purchased beyond the standard 20/40/10 limits, and additional liability insurance is recommended for those at risk of exceeding these amounts.

The policy also includes auto rental reimbursement for temporary transportation while a vehicle is

being repaired due to a covered loss, and roadside service for assistance with flat tires, lockouts, and towing. Premiums are influenced by factors such as driver age, vehicle type, driving record, and location, with optional coverages that can increase costs. Deductibles apply to certain coverages, with higher deductibles generally leading to lower premiums. PIP may also have deductibles, and coordination with other health or disability insurance can reduce PIP premiums. Senior citizens aged 65 or older may qualify for reduced premiums if they drive less than 3,000 miles annually, and retirees can waive work loss coverage under PIP for a premium reduction.

Discounts are available for various factors, including safety features, but surcharges may apply for traffic violations or accidents. Insurers in Michigan are required to fund organizations supporting the no-fault system, with costs passed on to policyholders, often appearing as separate charges on declarations pages. The Michigan Catastrophic Claims Association (MCCA) provides a reinsurance mechanism for catastrophic claims, with assessments determined annually based on projected lifetime claims. The policy is structured as a contract, consisting of a declarations page detailing the agreement and the policy itself outlining coverage specifics.

The insurance policy document provides essential information regarding coverage and terms, starting with a declarations page that includes the insurance company name, policy number, policy period, policyholders' names, and descriptions of insured vehicles. It details coverage limits, deductibles, premiums, and any applicable discounts, credits, or surcharges. The policy includes the insuring agreement, definitions, coverage conditions, general conditions, exceptions, and endorsements. Policyholders are encouraged to review their provisions carefully and consider the decision-making process regarding physical damage coverage, particularly for older or poorly conditioned vehicles. The document emphasizes the importance of shopping around for insurance and provides guidance on finding licensed agents and companies in Michigan.

In case of disputes, consumers are advised to first attempt resolution directly with their insurance

provider. If unresolved, complaints can be escalated to the Department of Insurance and Financial Services (DIFS), which assists with inquiries and complaints regarding insurance and financial products. The document also includes a glossary defining key terms and a worksheet to help consumers assess their coverage needs and understand how different options may impact their premiums. Overall, the policy document serves as a comprehensive guide for policyholders to understand their insurance coverage, obligations, and the shopping process for automobile insurance.