

Michigan Conference of Teamsters Welfare Fund

Serving Teamster families since 1949

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May 26, 2020

IMPORTANT NOTICE - Michigan Auto No-Fault Law

Dear MCTWF Participant:

The most significant changes to Michigan's Auto No-Fault Law will go into effect with renewing or newly issued policies dated July 2, 2020 or after. Prior to July 2, 2020, Michigan auto policies were required to include unlimited Personal Injury Protection (PIP) medical coverage, which, in the event of an auto related injury to you or your family, guaranteed lifetime, uncapped medical and rehabilitation expense coverage regardless of who was at fault. PIP coverage continues to provide wage loss replacement and other related services not covered by standard group health plan coverage (including MCTWF Actives Plan or Retirees Plan coverage) such as in-home attendant care, housing modifications, vehicle modifications, and transportation to and from medical appointments as well as some funeral expense benefits and survivor benefits which are paid to your dependents if injuries from the accident result in your death, but under the law, policies issued on or after July 2, 2020 will offer you the opportunity to limit or eliminate your PIP coverage and thereby permit a related reduction in your premiums.

Despite the expansiveness of PIP benefits and its lifetime guarantee of coverage (up to its policy limits) regardless of fault, despite the likely inadequacy of the bodily injury coverage and personal assets of an at-fault driver to cover the lifetime of costs attributable to a catastrophic injury, and despite the lack of guaranteed ongoing coverage for such injury under non-PIP medical policies, some auto owners will now seize the opportunity to limit or eliminate their PIP coverage.

Under the law, qualifying for certain low-end PIP coverage options may require proof that the spouse and resident-relatives have health or accident coverage that does not exclude or limit coverage related to automobile accidents, with an annual deductible of less than \$6,000. This is referred to as *Qualified Health Coverage* (or QHC). **PLEASE NOTE THAT BECAUSE THE MCTWF ACTIVES AND RETIREES PLANS LIMIT COVERAGE RELATED TO AUTOMOBILE ACCIDENTS, THEY DO NOT PROVIDE QUALIFIED HEALTH COVERAGE.** The MCTWF Actives and Retirees Plans limit coverage for auto related injuries and illnesses to claims in excess of the greater of (1) the required insurance coverage or other financial protection required under applicable state law, and/or (2) the policy limits of any other insurance under which the individual is entitled to coverage.

We urge you to review this information carefully with your auto insurance agent to ensure your auto policy provides for adequate PIP coverage.

If you have any questions, our Member Services Call Center is available to assist you Monday through Friday from 8:30 a.m. to 5:45 p.m. by calling (313) 964-2400 or (800) 572-7687.

Sincerely,
Member Services Call Center