



AUTO INSURANCE
**NO-FAULT
BENEFITS**

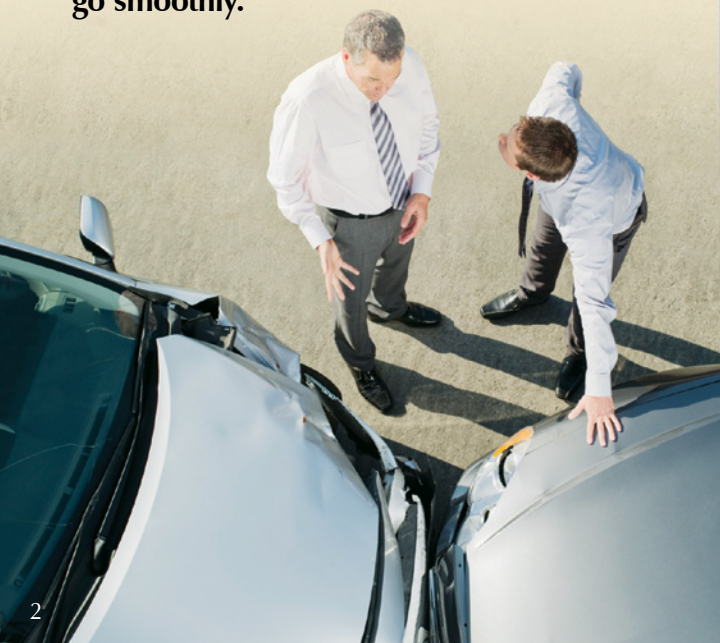


Count on AAA to handle
your claim

**promptly,
courteously &
professionally.**

Injuries as a result of auto accidents can be a stressful event in our lives. Focusing on healing should be your immediate priority. At AAA, we aim to assist you by simplifying the claim process and setting expectations for what service you will receive.

Please take a minute to read this brochure. It outlines the benefits you are entitled to and some important information you should know to make your claim go smoothly.



What is the Michigan No-Fault Law all about?

This brochure contains an overview of Michigan's No-Fault Law. It is a general description and does NOT include all of the law's details or provisions. Please consult your auto policy for specific coverage information and exclusions.

As always, please feel free to raise any questions with your claim representative regarding the procedures that apply to your claim.

Just the facts...

The Michigan No-Fault Law provides certain benefits to an injured person without regard to who was at fault in the accident. These benefits are called no-fault benefits.

A no-fault auto insurance policy covers the person and his or her family whether the injured person was in their motor vehicle, someone else's vehicle, or was a pedestrian involved in an accident with a motor vehicle.





A summary of your Medical Benefits

The No-Fault Act requires that the no-fault insurer pay all reasonable charges for reasonably necessary products, services and accommodations for an injured person's care, recovery or rehabilitation arising out of a motor vehicle accident. The medical expenses are payable for life and are unlimited in amount.

Medical Benefits include such things as:

- Hospital bills
- Doctor visits
- Medical tests
- Physical therapy
- Prescriptions
- Prosthetic devices
- Transportation to and from medical care
- Durable medical equipment (i.e. crutches, wheelchairs)
- Home modifications
- Home or residential care

In some cases, the no-fault carrier will pay family members for care they provide for the injured person. Nursing care benefits provide care for the injured person.

Coordinated Medical Coverage

If your auto policy is a Coordinated or Excess Coverage policy, you must use your health care insurance or HMO first if a service is available to treat your injuries. The no-fault insurer will pay for the reasonable and necessary care that is not covered by the health insurance or HMO or in excess of the HMO or health insurance coverage. For example,

if the HMO limits the number of physical therapy visits to 16 and your doctor recommends 20, the no-fault carrier would be responsible for the reasonable, necessary and customary amount charged for the remaining 4 physical therapy visits.

With a coordinated policy, the no-fault insurer will require proof that the bills have been submitted to the other health plan first and that the other health plan has either rejected them or made the appropriate partial payment under its contract before the no-fault insurance company will consider honoring the bill.

If you have selected Coordinated Coverage with a deductible, any Medical Benefits that we pay will be reduced by your deductible amount. Under Coordinated Coverage, payments made by your primary health carrier will be used toward satisfying this deductible.

If you have Coordinated Medical Coverage on your policy and you do not have underlying health insurance coverage or your health insurance coverage excludes payment for medical expenses resulting from a motor vehicle accident, any amounts otherwise payable for Medical Benefits will be reduced by \$300 in addition to any applicable deductible. For example – you have Coordinated Medical Coverage and you've recently retired. Medicare is now your underlying health coverage and does not cover automobile accident injuries. Therefore, you would need to change your policy to Primary (uncoordinated) Benefits or expect to have your medical benefits reduced by \$300, in addition to any applicable deductible.

Since Medicare does not cover auto accident injuries, all auto-related medical bills should be submitted to your no-fault insurer and not Medicare.



Primary Medical Coverage

If you are covered by a health policy and have Primary (uncoordinated) Medical Benefits under your auto no-fault policy, under some circumstances, the medical bills will be paid twice or duplicated, once by the health insurer to the provider and a second time by the no-fault carrier directly to the injured person.

There are some health insurance policies or plans which include policy language to avoid paying for medical expenses resulting from motor vehicle accidents if there is no-fault coverage.

Others have a coordinated provision that prevents duplication of benefits and states that the health insurer is not responsible for no-fault benefits if there is a primary (uncoordinated) no-fault policy. That type of coordination clause has been allowed when there is a primary (uncoordinated) no-fault policy. If you have a health insurance policy, you should also examine it to determine whether or not it excludes motor vehicle accidents.

Medical Mileage

Medical Expense Benefits include mileage to and from medical care. You should keep a record of the mileage expenses by date, location, and miles driven for submission to the no-fault carrier.

Funeral Expenses

The No-Fault Act provides a Funeral and Burial Expense Benefit up to \$2,500. This benefit will be paid toward the funeral and burial expenses in the event of a death resulting from a motor vehicle accident.



Work Loss and Survivor's Loss Benefits

Work Loss Benefits are payable for up to three years from the date of the accident. As no-fault Work Loss Benefits are not considered taxable income, the benefits are reduced by 15%, unless verifiable proof is presented to the no-fault carrier that your total tax advantage is less than 15%. The Work Loss Benefits paid reflect 85% of a person's wage and salary or the current monthly maximum amount as annually determined by the State of Michigan.

The monthly maximum in effect at the time of the accident is the maximum for that injured person for the next three-year period. The income that is recoverable is what would have been earned, not what could have been earned. It is also not based on the last year or even the last month's earnings. A new job, a promotion, and a new wage rate (if provable) is recoverable under no-fault insurance.

No-fault Work Loss does not include most fringe benefits unless they are actual monetary payments, such as cash bonuses or contributions to a specific savings or retirement fund. Other non-cash fringe benefits such as health insurance, life insurance and others are not recoverable as a no-fault work loss. However, no-fault Work Loss does include overtime pay, wage increases, and bonus payments that are lost.

Survivor's Loss

If you are a qualifying dependent of an individual who has died because of injuries sustained in a motor vehicle accident, you may be entitled to Survivor's Loss payments similar to the Work Loss Benefits of a surviving disabled claimant. Generally, the three-year income payment is paid to a narrow group of dependents, usually the spouse and minor dependent children.

As with Work Loss Benefits, the monthly maximum amount payable for Survivor's Loss Benefits is annually determined by the State of Michigan and includes replacement services (see page 10) of up to \$20 per day. However, survivor's income loss is broader than work loss and includes fringe benefits, including the cost of health insurance and other premiums and coverages that the decedent's employment would have provided, plus lost wages, salary and other income up to the allowable monthly maximum amount.

Survivor's Loss payments include income and benefits which would have been earned, not what could have been earned. An increased wage rate, a bonus, or changes in fringe benefits (if provable) are recoverable under no-fault insurance during the three-year period.

STATUTE OF LIMITATIONS

You have one year from the date an expense is incurred, (including medical bills, replacement services or work loss) to submit an expense to the no-fault insurer for payment of benefits. In accordance with the Michigan No-Fault Law, if medical and associated claim expenses are not submitted to the no-fault insurer within one year from the date they are incurred, it may result in the denial of payment for those benefits.

Important Information

Coordination or Set-off of Other Benefits

The no-fault Work Loss and Survivor's Loss Benefits are reduced by governmental benefits such as Social Security disability or survivor's benefits or worker's compensation benefits.

If the no-fault policy that applies is a coordinated policy, the no-fault insurer is also entitled to a credit for any disability or employee wage continuation payments made by an insurance company or a non-ERISA self-funded plan. The no-fault insurer is not entitled to a credit or reduction from the Work Loss or Survivor's Loss Benefits for sick pay or vacation pay.



Replacement Services

An injured person or the survivor of the deceased may recover replacement services. The No-Fault Law provides for the payment of up to \$20 per day for the loss of ordinary and necessary services that the injured or deceased person would have provided for himself or herself (if the person is surviving) and for their dependents. The replacement services are only payable for the first three years after the accident.

Typical replacement services include things such as:

- Housecleaning
- Washing dishes
- Yard work
- Home maintenance
- Babysitting
- Child transportation, etc.

These services can be provided by and paid to non-family members or provided by family members with a payment or promise to pay by the injured person.



Next steps in the claim process

Along with this brochure is an *Application For Benefits* form. It is important that you provide all requested information and return it to your handling claim representative as soon as possible. The claim process may be delayed if you do not return the application or provide all requested information.

Once received, the claim representative may request medical documentation to verify and support the injury and necessity of medical treatment. If necessary, the claim representative may request a second medical opinion, which may include an independent medical examination by a doctor of the no-fault insurer's choosing.

Throughout the claim process, your claim representative will be contacting you to keep you informed about the status of your claim.

If you have any questions about your claim, please contact your claim representative. We appreciate your continued trust in AAA and look forward to assisting you on your road to a successful recovery.



Call on AAA with confidence.

Have a question? Need further clarification?
Contact your claim representative –
or call **800-222-6424**.

This brochure is not a policy. The descriptions in this brochure are not complete. Benefits and coverages are subject to the MI No-Fault Law and to the limits of liability, exclusions, conditions and other terms of the policy and endorsements. Insurance underwritten by Auto Club Insurance Association family of companies.

