

MICHIGAN'S NEW NO-FAULT MOTORCYCLE LAW

The No-Fault law outlines an order of priority that determines which insurance company is responsible for the payment of No-Fault benefits. The order of priority differs depending upon the type of vehicle involved and whether the injured person is a driver, passenger or pedestrian. The Assigned Claims Plan is administered by the State of Michigan, and is always the insurer of last resort.

ORDER OF PRIORITY

In a motorcycle/auto collision the order of priority would be as follows:

1st Priority

The insurer of the owner of the motor vehicle involved in the accident, if none or if the owner of the motor vehicle opted out of the PIP medical coverage then...



In the event of an accident, the PIP medical coverage for the injured motorcyclist is limited to the PIP medical coverage cap of the at fault motor vehicle driver. This could be as low as \$50,000.



2nd Priority

The insurer of the operator of the motor vehicle involved in the accident, if none or if the owner of the motor vehicle opted out of the PIP medical coverage then...

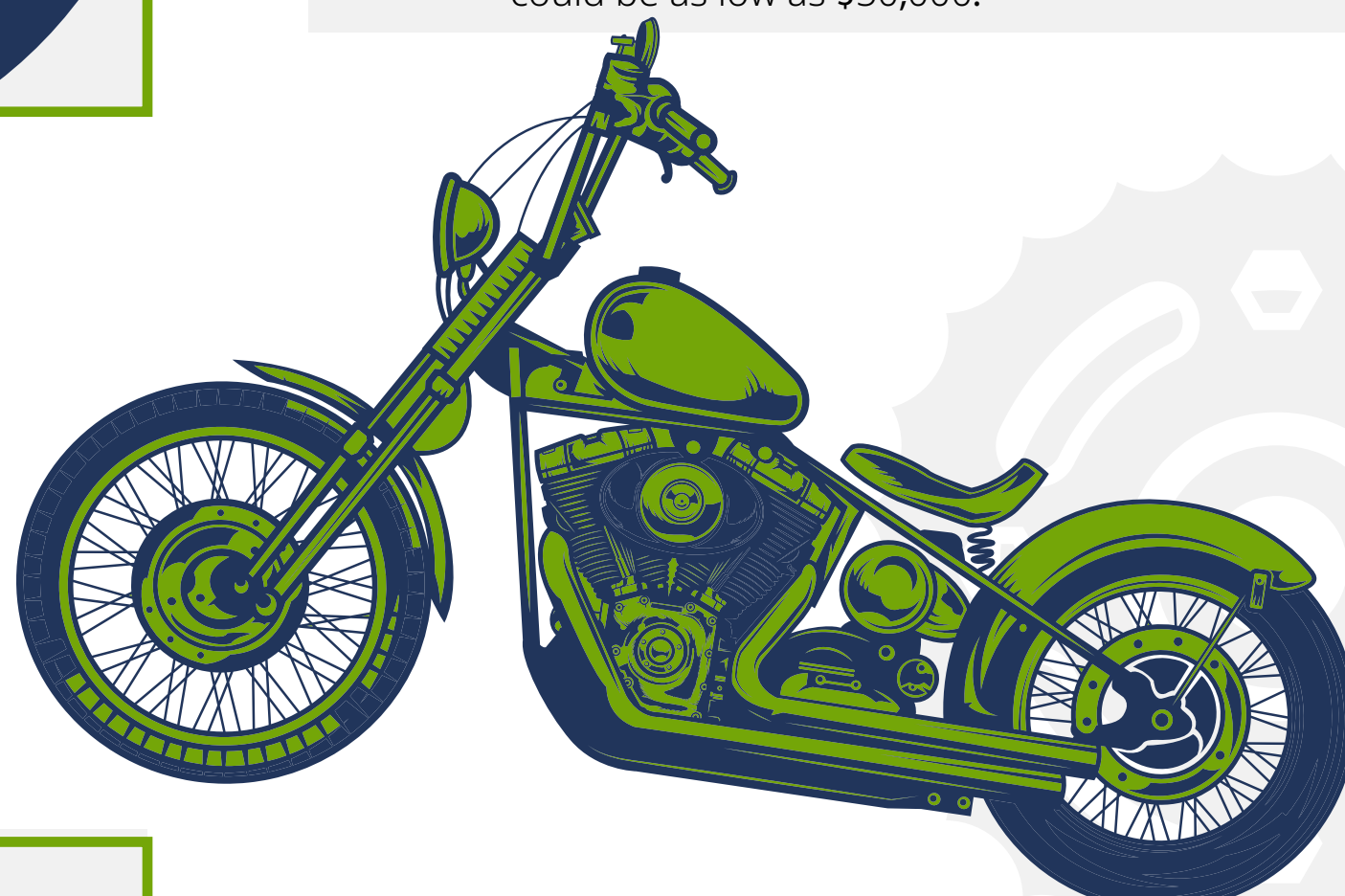


In the event of an accident, the PIP medical coverage for the injured motorcyclist is limited to the PIP medical coverage cap of the at fault motor vehicle driver. This could be as low as \$50,000.



3rd Priority

The motor vehicle insurer of the operator of the motorcycle involved in the accident, if none or if the operator of the motor vehicle opted out of the PIP medical coverage then...



4th Priority

The motor vehicle insurer of the owner of the motorcycle involved in the accident, if none then...

5th Priority

The Assigned Claims Plan.
(Limited to \$250,000)

EXCEPTIONS & COMPLICATIONS



Motorcycles, which are defined as having an engine displacement of more than 50 cubic centimeters, are not considered motor vehicles under the No-Fault law. As a result, motorcyclists are not entitled to the same coverages and protections as other vehicles. A typical motorcycle insurance policy only includes liability coverage for property damage and bodily injury.



Actual physical contact between the motorcycle and motor vehicle is not required, as long as operation of the motor vehicle was a significant factor causing injury to the motorcyclist. If a motorcyclist sustains injury as a result of an accident with a non-motor vehicle, such as a stationary object or another motorcycle, No-Fault benefits are not recoverable.



Motorcyclists should considering purchasing as much uninsured motorist coverage (UM) or under-insured motorist coverage (UIM) insurance as possible to potentially cover medical costs that might not be covered when the auto coverage runs out.



Consider buying supplemental medical benefits coverage (not the same as PIP) on your motorcycle. Get as much as you can. Usually in increments of \$5,000.