

Michigan Auto Insurance Facts

Law in Michigan states that all drivers are required to have no fault insurance and in order to register a vehicle in the state of Michigan the car owner has to buy certain basic insurance coverage's.

When it comes to the law, you cannot drive or allow your car to be driven unless it is covered by no fault insurance. The basic no fault policy in Michigan is made up of three parts, which includes personal injury protection (PIP), Property Protection Insurance (PPI), and Residual Liability Insurance Bodily Injury and Property Damage (BI/PD).

A closer look at the no fault Michigan auto insurance will explain the coverage of each of the aforementioned parts.

Personal Injury Protection defined by no-fault Michigan Auto Insurance covers you if you are hurt in an automobile accident. This includes paying for all of your medical bills and a certain amount of lost wages for up to three years. In 2007, the amount paid per month for wages was changed to \$4,589 per month under the no-fault insurance coverage. If you are killed in an accident, your family will receive up to this amount monthly based on the earnings you would have received along with fringe benefits. In some cases, PIP will also award you up to \$20 per day for services that you must now find someone else to do due to your injuries such as lawn care or household chores.

Property Protection Insurance defined by no-fault Michigan Auto insurance covers damage your car does to property such as buildings and fences up to \$1 million. It also covers the damage done to parked vehicles.

Residual Liability Insurance/Bodily Injury and Property Damage (BI/PD) defined by no-fault Michigan Auto insurance protects individuals from being sued due to an automobile accident, however, there are a few circumstances that are not included in this clause. You can be sued even if you have this coverage if you were the cause of the automobile accident in which a person was seriously injured or killed, if you have an accident that involves a person that is not a resident of Michigan and their vehicle is not registered in the state of Michigan, if you have an accident in another state,

The minimum required Residual Liability Insurance/Bodily Injury and Property Damage limits include up to \$20,000 for a person who is injured or killed in an accident, up to \$40,000 for each accident if several people are injured or killed, and up to \$10,000 for property damage in another state.

If any case does go to court, the court can award different amounts, in which the Michigan Auto insurance company will not be liable for any amount over the maximum amounts. In these cases, the insured person will be responsible for paying the remainder not covered.

Michigan auto insurance is changing all the time and the amount of coverage under each type of policy is changing as well. To ensure you have enough coverage you need to learn the laws governing auto accidents and insurance.

About the Author

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