

No-Fault Auto Reform

What option is best for me?

Each individual client will have specific needs and comfort levels with different coverage limits. Below are some advantages and disadvantages to each option.

Unlimited Option Benefits:

Advantages:

- Most comprehensive benefits available.
- Lifetime medical benefits, rehabilitation costs and attendant care.
- Prior no-fault law was unlimited lifetime benefits. This part of your policy will still have a 10% reduction in premium compared to last year.

Disadvantages:

- Unlimited benefit option will cost more than the other options.

\$500,000/\$250,000 Limited Options:

Advantages:

- Statistics show that 99% of injury benefits will be less than \$500,000 and 98% will be less than \$250,000.
- 20% reduction in PIP premium at \$500,000 level and 35% at \$250,000 level.

Disadvantages:

- Personal injury claims that go above \$500,000 typically end up well above \$500,000.
- Healthcare is costly, benefits could be used up quickly if severely injured in a serious accident.
- The fee schedule will help reduce the medical portion of payouts, but this does not go into full effect until 2022.
- Additional bills over your limit could come out of pocket.



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Health Insurance/Medicare/Medicaid:

Advantages:

- 45% or 100% discounted PIP premiums.

Disadvantages:

- Must have a qualifying health plan (QHP).
- Health insurance may have high deductibles, co-pays and coinsurance.
- Health insurance deductibles, co-pays and coinsurance will reset each year. Auto policies have a 1 time deductible for an accident that may be \$0.
- You could lose health insurance coverage with a job or health benefits could change. If you lose coverage or benefits change, switching back to an auto policy will not pay benefits because you did not have coverage on your date of loss.
- Coverages PIP provides that health insurance and medicare may not provide:
 - **Replacement Services** – auto policy will pay someone to do things you can't do because of your injuries such as landscaping and home repairs.
 - **Attendant Care** – auto policy will pay for in-home care to assist with daily living activities. This can be a nurse, family member or legal guardian.
 - **Modifications** – auto policy will pay for modification to your home or auto to assist with your disability.

We will help you decide what's best for you:

- Until we have real-life claims examples and data, we recommend the unlimited benefits option. Even though we are recommending the unlimited benefits option, we still want to review your individual situation and help you decide what's best for you and your family.



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