Uninsured Drivers Can Purchase Auto Insurance Without Penalty for Limited Time; Drivers Can Start Shopping Now

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FOR IMMEDIATE RELEASE: June 11, 2020

(LANSING, MICH) The Michigan Department of Insurance and Financial Services (DIFS) is announcing that the amnesty period under Michigan's new auto insurance law for previously uninsured drivers to get coverage without penalties begins July 2, 2020, and drivers should begin seeking quotes from insurance companies or agents now.

"If your auto insurance coverage had lapsed for any reason, you now have the opportunity to get coverage without penalties," said DIFS Director Anita Fox. "This is an important consumer protection for uninsured drivers who previously faced additional fees and restrictions before they could buy coverage."

The penalties and coverage restrictions for drivers with lapsed coverage varied among insurance companies. Under the new law, insurers cannot limit coverage, charge a reinstatement fee, or increase the premium for a driver solely due to a lapse in coverage.

"Michigan had a disproportionate number of uninsured drivers, and the new auto insurance law clears many barriers to coverage that drivers were experiencing," said Fox. "Not only are there guaranteed statewide average savings and new more affordable Personal Injury Protection coverage levels, but for the next 18 months, there are no penalties for reinstating coverage, making it the optimal time for previously uninsured drivers to obtain auto insurance that best suits their families' needs and budgets."

Governor Gretchen Whitmer signed historic bipartisan auto no-fault reform legislation to lower costs for Michigan drivers, maintain the highest coverage options in the country, and strengthen consumer protections. The legislation creates a better no-fault system for Michigan drivers. These changes will apply to policies issued or renewed after July 1, 2020.

Educational resources, instructional videos and a schedule of virtual town hall events are available for drivers to learn more about the new law at Michigan.gov/autoinsurance. In addition, DIFS continues to operate its dedicated, no-fault hotline, with calls being answered Monday through Friday from 8 a.m. to 5 p.m. Drivers can call 833-ASK-DIFS (275-3437) or email autoinsurance@michigan.gov with any questions, concerns, or complaints.

The mission of the Michigan Department of Insurance and Financial Services is to ensure access to safe and secure insurance and financial services fundamental for the opportunity, security and success of Michigan residents, while fostering economic growth and sustainability in both industries. In addition, the Department

provides consumer protection, outreach, and financial literacy and education services to Michigan citizens. For more information, visit www.michigan.gov/difs or follow the Department on Facebook, Twitter, or LinkedIn.

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