



An Important Message about Michigan Auto Insurance Reform

May 14, 2020

Dear DTE Energy employees and retirees,

DTE Energy cares about the safety, health and well-being of all our employees, retirees and their family members. That is why we want to make you aware of some upcoming changes to Michigan auto insurance. Due to the new Michigan Auto Insurance Reform law, you will be required to make decisions about your auto insurance coverage—decisions that could have significant consequences for your health protection and finances. To help you navigate this change, we have assembled some information that clarifies important details about the new law, helps you understand what it all means to you and your family and includes some important considerations before you make your decisions.

Background: Michigan No-Fault Auto Insurance Reform

Since 1973, all Michigan motorists have been required by law to purchase No-Fault Personal Injury Protection (PIP) medical insurance as part of their auto insurance. Under this type of insurance, a person injured in an auto accident could be entitled to lifetime medical benefits related to the person's care, recovery or rehabilitation. This coverage, while comprehensive, is quite costly. In fact, according to numerous sources, Michigan is rated the highest in the nation for auto insurance costs.* To help address these high costs, Governor Gretchen Whitmer signed Michigan No-Fault Auto Insurance Reform into law in May 2019.

What's Changing

Under the new law, motorists will no longer be **required** to carry "unlimited" PIP medical coverage. Instead, starting July 2, 2020, you may **choose** among various levels of "limited" PIP medical coverage as a way of reducing your auto insurance premiums. In addition, you may choose to opt out of PIP medical coverage altogether, but to do so, you'll need to provide proof that you have "Qualified Health Care Coverage." Many of the DTE health care plan options are considered Qualified Health Care Coverage, meaning if you're enrolled in one of our health plans, you may be eligible for the opt out. However, just because you can, doesn't necessarily mean you should. The PIP medical coverage all Michigan motorists currently carry is comprehensive and covers products and services not commonly covered under employer health plans, such as extended rehabilitation treatment, home/auto modifications and more. *Note, the options for limited PIP coverage limit the medical benefits but do not limit wage replacement or attendant care.*

What This Change May Mean to You

If you are a Michigan motorist, you are affected by the new law. When your auto insurance is up for renewal on or after July 2, 2020, you will need to decide what level of PIP medical coverage you want to purchase. Before doing so, however, it is critical you understand the risks and limitations of PIP coverage alternatives and how it coordinates with your DTE health plan.

In Closing

Significantly reducing the amount of PIP medical coverage or opting out of it to lower your auto insurance premium could leave you under-protected or under-insured—even if you have DTE health plan coverage. Please review the enclosed FAQs and review the chart on the last page as you weigh your options.

If you have questions about your DTE medical coverage, please contact your health plan directly using the number on the back of your medical card. Additional information about your coverage is available from Your Benefits Resources at **866.899.4383** or visit **ybr.com/dteenergy**. For questions about auto reform, PIP medical and other auto insurance coverage provisions, please contact your auto insurance carrier or agent.

Sincerely,

Michael S. Cooper

Director – Compensation, Benefits & Wellness

Michigan Auto Insurance Reform FAQs (as of April 27, 2020)

1 How does “unlimited PIP” medical protect me and what’s unique about it?

Michigan’s Personal Injury Protection (PIP) medical coverage offers vital protection from costly medical expenses after an auto accident. It’s unique in that it is extremely comprehensive—offering benefits for a wide range of allowable expenses not typically covered under even the best employer medical plans. In fact, PIP is more like a combination of a personal health care policy, disability policy and a long-term care policy all in one, covering items such as:

- Income replacement for up to three years
- Specialized medical treatments
- In-home or facility attendant care and nursing services
- Alterations to your home or auto needed to help you get around
- Some funeral and burial expenses

In addition, PIP medical benefits are *unlimited* and provided for a *lifetime*. While most employer health plans, including DTE’s health plans, are prohibited from having maximum annual dollar limits for what the plan will pay in a year, some benefits have annual limits on the number of visits or treatments (such as physical therapy). In addition, employer health plan benefits end when the employee is no longer participating in the plan.

2 What are the new PIP medical coverage options?

Under the new law, motorists will be able to choose from six levels of PIP medical coverage, including:

- Option 1:** Unlimited Coverage (the level all Michigan motorists have right now)
- Option 2:** Limited Coverage of \$500,000—per person per accident
- Option 3:** Limited Coverage of \$250,000—per person per accident
- Option 4:** Limited Coverage of \$250,000—per person per accident, BUT with some persons excluded from PIP medical coverage who have Qualified Health Care Coverage
- Option 5:** Limited Coverage of \$50,000—per person per accident (available only to Medicaid members)
- Option 6:** No PIP Medical Coverage for Anyone Covered Under the Policy (available only if the named insured has Medicare Parts A & B coverage and all other covered individuals have Qualified Health Care Coverage or Medicare Part A & B coverage)

3 Because I have DTE health coverage, my auto insurance agent says I can cut the cost of my auto insurance in July by opting out of PIP medical. Is this true?

Technically, yes. Many of the options under the DTE Comprehensive Group Health Care Plan for active employees and under the DTE Comprehensive Retiree Group Health Care Plan for retirees (the “DTE health plans”) are considered Qualified Health Care Coverage; however, participating in the DTE Retiree Reimbursement Arrangement Plan (the “RRA Plan”) is not, by itself, Qualified Health Care Coverage. Once you begin participating in the RRA Plan, you will need to contact the insurer issuing any individual Medicare Supplemental coverage for which you are reimbursed through the RRA Plan for information on whether that coverage is Qualified Health Care Coverage. If you are enrolled in a DTE health plan, you may be eligible to opt out of PIP medical coverage. (It is important to remember that if different health plans cover different members of your family, all plans must be considered “Qualified Health Care Coverage” in order to opt out.) However, just because you can opt out doesn’t mean you should. Know what you are giving up before discontinuing PIP medical coverage. PIP medical covers numerous things that the DTE health plans do not. You need to fully understand the coverage differences between PIP and your DTE health plan coverage before you choose.

4 What happens if I do not choose a level of coverage?

If you do not make a PIP selection, your auto insurance policy issued or renewed in Michigan on/or after July 2, 2020 will include “unlimited PIP” medical coverage and you will be charged the appropriate premium.

5 Will I need to provide documentation to my auto insurance carrier verifying my Qualified Health Care Coverage, and if so, how do I obtain that?

Yes. At this time, our understanding is that you would need to verify coverage. How you do that depends on your health plan. For Blue Cross Blue Shield PPO, CDHP and Value CDHP plans, please contact Your Benefits Resources Center. For all other health plans, you would need to contact your health insurance carrier directly to request a statement verifying your coverage. DTE’s health plans are working hard to comply with the new law and are developing systems to provide verification statements. Given the time and complexity involved, however, the statements may not be available until closer to the July 2, 2020 effective date.

6 Will the same people still be covered under my policy for PIP?

Not necessarily! Children who no longer call your home their residence or partners of people who live together, but are not married, may not have PIP coverage under your policy. If any of these circumstances apply to you, talk to your auto insurance agent to learn how to obtain coverage.

7 What kind of premium reduction can I expect if I choose a limited PIP medical option?

It's best to confirm specific rates with your auto insurance provider, which should be available beginning in May 2020. While PIP medical coverage makes up a large portion of your total auto insurance premium, you should consider carefully whether saving a few hundred dollars a year on your auto insurance premium is worth letting go of coverage that could save you thousands of dollars if you were to get in an accident.

8 Will this change the way my DTE health plan coordinates benefits with my auto insurance?

No. DTE health plan coverage, like most employer plans, have special provisions or rules about how they will work with the auto insurance carriers to pay claims for the same person in the event of an auto accident. This is called Coordination of Benefits and is intended to ensure you receive all the coverage to which you are entitled, but no more than the actual cost of the care received. DTE is not changing the Coordination of Benefit provisions in the DTE health plans because of the reform.

If you were to have an auto accident, the DTE active employee health plan (and retiree health plan if applicable) will continue to pay first (as primary payor), and if there are expenses leftover not covered by your DTE health plan, your auto insurance will be responsible for paying those (as secondary payor).

9 My spouse and I both work at DTE and have DTE health plan coverage. How will the Coordination of Benefits work if one of us has an auto accident?

As long as you are both covered under a DTE health plan (whether one waived coverage and added the spouse as a dependent, or you both selected Employee Only coverage), your DTE health plan coverage will pay first (as primary payor), and if there are expenses leftover not covered by your DTE health plan coverage, your auto insurance will be responsible for paying those (as secondary payor).

10 I have DTE health plan coverage and my spouse's non-DTE health plan coverage. How does Coordination of Benefits work if I have an auto accident?

Upon being injured in an auto accident, your DTE health plan coverage would be primary, meaning it would pay any related medical claims first. If there are expenses left over that are not covered by your DTE health plan coverage, your spouse's non-DTE health plan coverage would pay those, but only if your spouse's non-DTE health plan coverage allows for Coordination of Benefits with auto insurance, too. If it does and there are still outstanding expenses after your spouse's health plan coverage pays, then the PIP coverage would pay. If your spouse's health plan coverage doesn't have an auto coordination of benefits provision, then your spouse's health plan coverage may not pay anything. PIP coverage would then be relied on to pay any remaining expenses not covered by your coverage under the DTE health plan or under your spouse's health plan coverage. However, it's important to realize that if you select a limited PIP option, PIP would pay only up to that specified limit (e.g., \$500,000, \$250,000, \$50,000 or \$0 if you opted out).

11 If I am on Medicaid, what does this change mean to me?

As a Medicaid participant, you can select any level of PIP coverage from \$50,000 to unlimited. However, you would not be eligible for opting out of PIP medical altogether. In the event of a car accident, Medicaid would be the primary payor and pay any claims first. If there are expenses beyond what Medicaid covers, the PIP medical would be responsible for paying. However, as you get into the limited levels of PIP medical coverage, you risk that you may end up with uncovered medical expenses, which you are then responsible for paying.

12 If I'm enrolled in Medicare Part A & B, what does this change mean to me?

If you are enrolled in BOTH Medicare Part A AND Part B (including if you have opted to enroll in a Part C Medicare Advantage Plan), you can select any of the six options for PIP medical. As for Coordination of Benefits, if you continue to be actively employed by DTE after you reach age 65, you continue to be eligible for DTE health plan coverage even though you are eligible for Medicare.

Your spouse also may continue to be covered under your DTE health plan coverage if he or she is eligible for Medicare. You may voluntarily elect Medicare as your primary coverage, but only if you waive all medical care and prescription drug benefits coverage under the DTE health plan.

If you are actively employed by DTE and you do not waive coverage under the DTE health plan, in the event of a car accident your DTE health plan coverage would be the primary payor and pay any claims first. If there are still expenses remaining, then your PIP medical would be responsible for paying. However, as you get into the limited levels of PIP medical coverage, you risk that you may end up with uncovered medical expenses, for which you are then responsible.

13 How are out-of-state residents affected by these changes?

Typically, if you are a resident of another state, you are no longer entitled to PIP benefits for injuries sustained in a Michigan motor vehicle accident, unless you own the vehicle (or lease it for more than 30 days) and it is both registered and insured in Michigan.



14 How does Employer Health Coverage compare to PIP coverage?

	Employer Health Coverage (including DTE Health Plan Coverage)	PIP Coverage
Type of coverage provided	Medical benefits only.	Medical, replacement income, home health care, disability modifications and more.
Cost sharing	Typically has a deductible requirement and requires coinsurance and/or copays every year.	May have a deductible requirement but won't require coinsurance or copays.
Coverage limits	No annual or lifetime dollar limits, but certain services may have annual limits on the number of visits or treatments.	Pays unlimited benefits (if selecting unlimited PIP). <i>Note: choosing a limited PIP option will mean limited medical benefits are provided, but the income replacement and attendant care portions of PIP would not be limited regardless of which PIP election you choose.</i>
When coverage ends	Benefits end when coverage ends, such as termination, retirement or when a covered child is no longer eligible.	Continues to cover expenses from an auto accident even if the auto policy cancels for non-payment after the accident or you switch auto insurance companies. It also pays benefits for medical care for as long as that care is needed—even for a lifetime. It stops when you have fully recovered or in the event of your death.
Who's covered	The employer health plan might not cover all family members in your household (e.g., people covered under a spouse's employer's plan, children age 26 and older).	If an individual is covered by two or more policies, PIP coverage is provided up to an aggregate limit equal to the highest available coverage limit under any available policy. So, if a parent elects unlimited PIP, and the child in the household has a separate policy with limited PIP, the child gets unlimited PIP coverage.
Subrogation	Lawsuits are allowed in limited cases for accidents in a no-fault state like Michigan. If you are awarded money for damages in connection with the auto accident, the employer health plan has the right to be reimbursed from your settlement ("subrogated") for any medical benefits the employer health plan paid on your behalf.	PIP benefits you receive are not subject to subrogation.



15 What can I do to prepare?

- **Review your health plan policy:** Check what's covered when it comes to an accident. Consider your deductibles, coinsurance and plan limits.
- **Consider your assets:** When you make changes to your PIP policy limits, there's more to think about than how much it costs. Lower PIP coverage limits could expose you to medical bills or lawsuits. If you have savings accounts, a 401k, a home or other valuable assets, they could be at risk.
- **Talk to your family:** If you have a spouse or children living with you, you're not the only one impacted by these changes. Discuss your plans with your family so everyone understands your coverage moving forward.
- **Reach out to your agent:** If you still have questions, your auto insurance agent will be more than happy to help.



16 When do I have to decide about my PIP coverage?

You don't have to do anything until you renew your policy on or after July 2, 2020. However, to ensure a smooth transition for you and your family, consider doing your research and deciding what is right for you in advance of your renewal date.

This information is intended to be an overview of the new law, based on available information. The answers provided are not meant to be a substitute for legal advice or any recommendation regarding the level of PIP coverage appropriate for you and your family. Please refer to your auto insurance agent for the most up-to-date information and to address how you may be affected based on your personal situation.

Weighing Your Options: At-a-Glance

PIP Coverage Option	Who Is Eligible	Advantages	Risks
OPTION 1: Unlimited PIP	All motorists.	Highest benefits—offers most comprehensive coverage with lifetime benefits in the event of an auto accident injury.	Most expensive auto premiums.
OPTION 2: Limited Coverage of \$500,000 per person, per accident	All motorists.	Lower premiums than Option 1.	<ul style="list-style-type: none"> • Less coverage than Option 1. • This coverage may not be enough to cover your medical expenses. • If relying on other medical coverage it may not include the same extensive coverage for rehabilitation. • If you don't have other medical coverage you may be personally responsible for paying expenses above the PIP limit.
OPTION 3: Limited Coverage of \$250,000 per person, per accident	All motorists.	Lower premiums than Options 1 and 2.	<ul style="list-style-type: none"> • Less coverage than Options 1 and 2. • Same coverage concerns as Option 2, but to an even greater extent.
OPTION 4: Limited Coverage of \$250,000 per person, per accident BUT with some persons excluded from PIP medical coverage who have Qualified Health Care Coverage	Policyholder or other covered individual to be excluded must have Qualified Health Care Coverage.	Lower premiums than Options 1 – 3.	<ul style="list-style-type: none"> • Anyone you exclude will not have any PIP medical coverage—\$0. • Those included may not have enough coverage to pay medical expenses. • Other forms of medical coverage may not include the same extensive coverage for rehabilitation, attendant care costs, etc. • If you don't have other medical coverage you would be responsible for paying expenses above the PIP limit (or for all expenses if it is an excluded person).
OPTION 5: Limited Coverage of \$50,000 per person, per accident	<ul style="list-style-type: none"> • Policyholder must be enrolled in Medicaid AND • Other covered individuals must have Qualified Health Care Coverage OR be enrolled in Medicaid OR have coverage under another auto policy with PIP medical coverage. 	Lower premiums than Options 1 – 4.	<ul style="list-style-type: none"> • Less coverage than Options 1 – 4. • Same coverage concerns as Options 2 and 3, but to an even greater extent.
OPTION 6: No PIP medical coverage for anyone covered under the policy	<ul style="list-style-type: none"> • Policyholder must be enrolled in Medicare Parts A&B AND • Other covered individuals must have Qualified Health Care Coverage OR have coverage under another auto policy with PIP medical coverage. 	Lowest premium.	<ul style="list-style-type: none"> • Highest coverage risk—no PIP coverage provided under the policy. • If relying on other medical coverage it may not include the same extensive coverage for rehabilitation, attendant care costs, etc. • If you don't have other medical coverage you may be personally responsible for paying expenses above the PIP limit.