

## **Gallagher Sharp Michigan Law Update: No-Fault Act Effective June 11, 2019**

*By Attorneys Danielle Haberstroh and Beth Reno*

On June 11, 2019, the new no-fault act was filed with the Secretary of State with an effective date of June 11, 2019, for all portions of the act that otherwise do not have a specified start date. (On this date, another bill was also signed and filed to clarify the start date for a few provisions that will take effect at another time). What this means is that certain portions of the no-fault act are effective immediately, including the following very important provisions:

- Section 3112 – health care providers have a direct cause of action against insurers.
- Section 3114(4) – an occupant of a motor vehicle who is not covered under a policy as a named insured, a spouse, or resident relative of either, shall claim personal protection insurance benefits under the Assigned Claims Plan.
- Section 3115 – a pedestrian/bicyclist who is not covered under a policy as a named insured, a spouse, or resident relative of either, shall claim personal protection insurance benefits under the Assigned Claims Plan.
- Section 3145(3) – the one-year back limitations on damages in lawsuit only applies if the claim has formally been denied by the insurer, otherwise it is tolled until a formal denial is issued.
- Section 3148(2) – the Court may award an insurer an amount against the Plaintiff’s attorney if that attorney solicited the Plaintiff.
- Section 3151 – strengthens the necessary qualifications that a doctor must have in order to perform an IME.
- Section 3157(10) – attendant care rendered by a friend or family member is limited to 56 hours per week. Although this standalone subsection pertaining to attendant care does not impose a start date, the companion subsections regarding limitations on allowable expenses, i.e. the fee schedule, does not take effect until July 1, 2021, so it is possible that this subsection could be read in conjunction with the entirety of section 3157. We would argue that the absence of a start date renders subsection (10) effective for any attendant care benefits claimed after June 11, 2019.

While this list is not exhaustive, it highlights a few important changes to the law that will impact claims handling and litigation immediately. As always, please do not hesitate to contact us to discuss anything further!

No-Fault Act: <http://www.legislature.mi.gov/documents/2019-2020/publicact/pdf/2019-PA-0021.pdf>

Amendment: <http://www.legislature.mi.gov/documents/2019-2020/publicact/pdf/2019-PA-0022.pdf>

[Danielle M. Haberstroh, Esq.](#)

[Elizabeth R. Reno, Esq.](#)

**Gallagher Sharp LLP**



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211 West Fort Street  
Suite 660  
Detroit, MI 48226  
(313) 962-9160  
[dhaberstroh@gallaghersharp.com](mailto:dhaberstroh@gallaghersharp.com)  
[erenogallaghersharp.com](mailto:erenogallaghersharp.com)  
[www.gallaghersharp.com](http://www.gallaghersharp.com)