

MOTOR VEHICLES

**Table 7.36
STATE NO-FAULT MOTOR VEHICLE INSURANCE PROVISIONS**

State or other jurisdiction	Purchase of Personal Injury Protection (PIP)	Minimum tort liability threshold (a)	Maximum first-party benefits			
			Medical	Income loss	Replacement services	Survivors/funeral/death benefits
Colorado	M	\$2,500	\$50,000 within 5 years (additional \$50,000 for rehabilitation expenses incurred within 10 yrs. of accident).	Up to \$400/wk for up to 52 weeks	Up to \$25/day for up to 52 wks.	\$1,000
Florida	M	No dollar threshold.	-----\$10,000 overall max. on first party benefits----- 80% of all costs.	60% of lost income.	Limited only by total benefits limit.	Funeral benefit: \$5,000
Hawaii	M	\$5,000	-----generally, \$10,000 per person aggregate----- Optional PIP - \$500/mo. or \$3,000/accident up to \$2,000/mo. or \$12,000/accident			Optional PIP - death benefits: \$25,000 up to \$100,000. Funeral: \$2,000
Kansas	M	\$2,000	\$4,500 (additional \$4,500 for rehabilitation).	Up to \$900/mo. for one yr. (if benefits not subject to taxes, max. 85% of lost income).	\$25/day for 365 days.	Up to \$900/mo. for lost income and replacement services for up to one yr., less disability payments received before death. Funeral benefit: \$2,000.
Kentucky	M	\$1,000	-----\$10,000 overall max. on first-party benefits----- Limited only by total benefits limit.	Up to \$200/wk. (If not subject to taxes, benefits can be reduced max. 15%).	Up to \$200/wk.	Up to \$200/wk. each for survivors' economic loss and survivors' replacement services loss. Funeral benefit: \$1,000
Massachusetts .	M	\$2,000	-----\$8,000 overall max. on first-party benefits----- Limited only by total benefits limit, if incurred within 2 yrs.	Up to 75% of lost income.	Up to 75% of actual loss.	Funeral benefit: limited only by total benefits limit.
Michigan	M	No dollar threshold.	No dollar limits.	Up to 85% up to \$3,760 /mo up to 3 yrs.	\$20/day for up to 3 yrs.	Up to 85% up to \$3,760/mo up to 3 yrs. for survivors. Funeral benefits: \$1,750 - \$5,000
Minnesota	M	\$4,000	-----\$20,000 max. for first-party benefits other than medical----- \$20,000	85% of lost income up to \$250/wk.	\$200/wk., beginning 8 days after accident.	Up to \$200/wk. ea. for survivors' economic loss and survivors' replacement service loss. Funeral benefit: \$2,000.
New Jersey	M	(b)	Max \$250,000. Subject to \$250 deductible and 20% co-payment for the first \$5,000.	Up to \$100/wk. for one year, to a maximum total benefit of \$2,500	Up to \$12/day for a max. of \$4,380	Death benefits equal to the income loss that would have been paid had the injured party not died. Funeral benefit: \$1,000
New York	M	No dollar threshold.	-----\$50,000 overall max. on first-party benefits----- Limited only by total benefits limit.	80% of lost income up to \$2,000/mo. for up to 3 yrs.	\$25/day for up to one yr.	\$2,000 in addition to other benefits.
North Dakota ...	M	\$2,500	-----\$30,000 overall max. on first-party benefits----- Limited only by total benefits limit.	85% of lost income up to \$150/wk.	Up to \$15/day.	Up to \$150/wk. for survivors' income loss and \$15/day for survivors' replacement services. Funeral benefit: \$3,500.

STATE NO-FAULT MOTOR VEHICLE INSURANCE PROVISIONS — Continued

State or other jurisdiction	Purchase of Personal Injury Protection (PIP)	Minimum tort liability threshold (a)	Maximum first-party benefits			
			Medical	Income loss	Replacement services	Survivors/funeral/death benefits
Utah	M	\$3,000	\$3,000	85% of lost income up to \$250/wk. for up to 52 wks., subject to 3-day elimination period	\$20/day for up to 365 days subject to 3-day elimination period	\$3,000 survivors benefit. Funeral benefit: \$1,500.
Puerto Rico		No dollar threshold.	All reasonable medical expenses within 2 yrs.	Between \$50 and 100/wk for up to 52 weeks		\$10,000 for death within 1 yr. of accident. Funeral benefit: \$1,000

Source: This Table was compiled from 1998 and 1999 material provided by the the National Association of Insurance Commissioners , NAIC's No Fault Study, 1999, used with permission; the Alliance of American Insurers, Compendium of Insurance Charts-Automobile-Property, © 1999 by Alliance of American Insurers, used with permission, all rights reserved and the Insurance Information Institute, Insurance Issues Update, December 1998.

Definitions: The December 1998 Insurance Issues Update declares "the term 'no-fault' auto insurance is used loosely to denote any auto insurance program that allows policyholders to recover financial losses from their own insurance companies, regardless of fault. But, in its strictest form, no-fault applies only to states laws that provide for the payment of no-fault first party benefits and restrict the right to sue. Under current no-fault laws, motorists may sue for severe injuries and for pain and suffering only if the case meets certain conditions. These conditions, known as a threshold, relate to the severity of the injury. They may be expressed in verbal terms (a descriptive or verbal threshold) or in dollar amounts of medical bills, a monetary threshold. Some laws also include the days of disability incurred as a result of the accident."

Using this definition, the Insurance Information Institute and the NAIC report that 13 states and Puerto Rico had true no-fault insurance laws as of 1999. The 13 states are Colorado, Florida, Hawaii, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, New Jersey, New York, North

Dakota, Pennsylvania and Utah.

The NAIC reports that Hawaii replaced its No-Fault insurance law with Act 275 of 1998. The only remnant of no-fault in Hawaii's system is the PIP component. Certain coverages that were once mandatory are now optional, including wage loss, death benefits, funeral benefits, collision and uninsured motorists.

The Insurance Institute says Florida, Michigan, New Jersey, New York and Pennsylvania have verbal thresholds. Colorado, Hawaii, Kansas, Kentucky, Massachusetts, Minnesota, North Dakota and Utah use a monetary threshold. The Institute reports that three states have a "choice" no-fault law. In New Jersey, Pennsylvania and Kentucky, motorists may reject the lawsuit threshold and retain the right to sue for any auto-related injury.

Key:

- O - Optional
- M - Mandatory

(a) Generally, this refers to minimum amount of medical expenses necessary before victim can sue for general damages (e.g. "pain and suffering"). In some states, a victim cannot recover unless economic loss exceeds a specific amount or an injury results in conditions that are cited in state law, (e.g., permanent disfigurement, disability, dismemberment, fractures, etc.).

(b) Motorists choose one of two optional limitations.