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FROM THE DESK OF JOHN V. POLOMSKY II:

Michigan Auto Insurance Reform

In May 2019, Governor Whitmer signed Michigan No-Fault reform into law. There are questions about the interpretation of the law, and three changes have already been made. For now, your current auto insurance renewal will be unchanged through July 2020 when the new law goes into effect and you can lower your personal injury protection (“PIP”) coverage. While this may save you premiums on the PIP section of your policy, and on your Michigan Catastrophic Claims Association fees, it also increases your personal liability for injuries not covered by your PIP coverage. PIP coverage is broad and covers not only medical care, but also lost wages, or modifications to your vehicle or home in the case of a debilitating injury. The lower your PIP coverage, the more exposed you are to personal liability claims. The new law also changes how children who don’t live with you but drive a car titled in your name are treated. You should speak to your auto insurance company regarding these changes and see us to make sure your assets are protected against potential future litigation.

Limit your exposure to auto insurance claims. See us for your best asset protection options.

“Directed Trusts” and “Divided Trusteeships”

Governor Snyder signed the Uniform Directed Trust Act (“UDTA”) in December 2018. This Act addresses ways to divide duties between or among trustees and to provide a “trust director” to direct trustees in their actions while representing a trust.

This Act repeals the existing trust protector provision in the Michigan Trust Code. If your trust currently has co-trustees, you may divide responsibilities using a divided trusteeship. If your trustee(s) need direction, you could name a trust director with as much power as you deem necessary to ensure your trust operates as intended.

Does your trust need to be updated? Call us for your trust update.

Children and Estate Planning Documents

Adults with homes and retirement accounts are not the only ones who need estate planning documents. Children who have left home to attend university or who live at home and work need to have their affairs in order. In the case of an accident, do they have a medical directive in place? Do they have a power of attorney in place to handle their affairs while they are incapacitated? General and medical powers of attorney are necessary so you or another person of their choosing can act on their behalf if the need arises.

Contact us for our fees on Powers of Attorney.

Short-Term Rentals

The short-term rental business has skyrocketed primarily by use of VRBO and Airbnb to advertise a property for rent. Most communities have their own regulations on short-term rentals. However, House Bill 4046 could change that by amending the Michigan Zoning Enabling Act. This would remove the ability of local governing bodies to make specific zoning requirements for short-term rentals. This bill would make rentals a permitted use in all residential zones and not subject to special use or other permits. Local ordinances pertaining to noise, advertising, and traffic would still be enforceable. It is unclear if the proposed statute would allow limits on the number of rentals in a community. The bill is currently lingering in the Local Government and Municipal Finance Committee.

How does this affect you? Check your local zoning ordinance. (For Frankenmuth residents, both the City and Township have addressed short-term rentals in their ordinances.) Check their websites for additional information. Condominiums are exempt from these ordinances.

Call us for short-term rental advice.

Mail Fraud

Due to the increasing amount of mail fraud, the Michigan legislature passed Public Acts 23 and 24 of 2019. Mail fraud is often associated with other crimes, including identity theft. While the Postal Service has its own enforcement arm (the Postal Inspection Service), the U.S. Attorney's Office requires a high threshold for the value of stolen goods before it will prosecute. Michigan law provides little authority to prosecute mail crimes. A person charged with mail fraud under this statute could use an affirmative defense, such as the person had the consent of the addressee or is the legal guardian of a child or adult and is thus authorized to take the mail and to make decisions on access to it.

Helpful Hint – How can I forward mail from my parent's address if they are deceased?

To forward mail to your address, you will need to appear at the Post Office and provide valid proof you are the appointed personal representative or administrator authorized to manage the deceased's mail. Letters of Authority will accomplish this. Then you complete a forwarding change of address card.

You can even stop junk mail coming to the deceased by filling out a Deceased Do Not Contact List at <http://www.ims-dm.com/cgi/ddnc/php>.

A Word to the Wise: The High Cost of Air Ambulances

Recently, news reports have focused on extremely high (and unexpected) medical bills. Some reports have focused on emergency air ambulance service for victims of heart attacks. A Michigan law, which became effective in the spring of 2019, provides that before a "nonemergency" patient is transported in an air ambulance or in an "aircraft transport vehicle" the ambulance operation or the aircraft transport operation has to give the patient a written notice with a good-faith estimate of the cost, whether the transporter is a participating provider with the patient's health benefit plan, and that the patient has the right to request transport from an operation which is a participating provider. The patient must also acknowledge responsibility for deductibles, copayments, and co-insurance. So, to prevent these unanticipated expenses, 'look before you leap.'