

## MICHIGAN AUTOMOBILE INSURANCE PLACEMENT FACILITY PLAN OF OPERATION

*(Underlined & Bold Matter—New)*

---

### Sec. 8. PLACEMENT OF PRIVATE PASSENGER NONFLEET RISKS

*Paragraphs A and B are amended as follows:*

- A. Any qualified applicant for private passenger nonfleet insurance shall have the right to request assignment, reject assignment, or request assignment to any designated participating member (hereinafter referred to as “servicing carrier”) **that is active, as defined in Section 10.A.5**, subject to any limitations established to conform with contractual arrangements made by the Facility with its servicing carriers. The opportunity to request assignment and reject assignment shall be provided on the application. The opportunity to request reassignment shall be stated on the policy at the time of issuance and shall be offered in writing to the insured at the time of renewal.
- B. Limitation on Assignments: The Board shall complete a contractual arrangement with each **active** servicing carrier specifying the maximum volume of assignments which is acceptable to that servicing carrier and the period of time for which the contract is in force. Applications for private passenger nonfleet automobile insurance on which the qualified applicant has not requested assignment to a specific **active** servicing carrier, **as defined in Section 10.A.5**, shall be assigned to **active** servicing carriers in an equitable manner recognizing the established maximum volumes of the servicing carriers. The foregoing distribution method may be modified by the Business Continuity Plan as provided in the Servicing Carrier Agreement. Applicants with outstanding premium due to a servicing carrier for a prior Facility policy will be assigned to that carrier and may not request reassignment until the outstanding obligation has been satisfied.

---

### Sec. 10. SERVICING CARRIERS

*Paragraph A.2. is amended and Subsections 5 and 6 are introduced as follows:*

#### A. Designation—Private Passenger Nonfleet Automobiles

2. The members having the five highest participation ratios, as defined in Section 3303(e)(i) of the Michigan Insurance Code, shall be designated to act on behalf of the Facility and, **except as provided in subsection A.5**, shall be required to maintain the ability to meet the qualifications set forth in this Section and Section 18. **For purposes of this Section, participation ratios shall be based upon the combined premium data for all affiliated insurers within a holding company system.**
- 5. Board may designate as few as 3 active servicing carriers during a low volume period. An “active” servicing carrier is a servicing carrier that shall be required to maintain the ability to meet the qualifications set forth in this Section and Section 18. “Low volume period” refers to a calendar year immediately following any calendar year in which the private passenger application count in the Facility is less than or equal to 100,000.**
- 6. On or before March 1 of each year, the Board shall determine the roster of servicing carriers for the following calendar year. The Board shall provide written notice to those participating members the Board designates as servicing carriers which shall delineate servicing carriers and active servicing carriers. Notice shall be provided at least nine months prior to the effective date of the Board’s determination and delineation.**